

2001 RTP

Socio-Economic Forecast Report

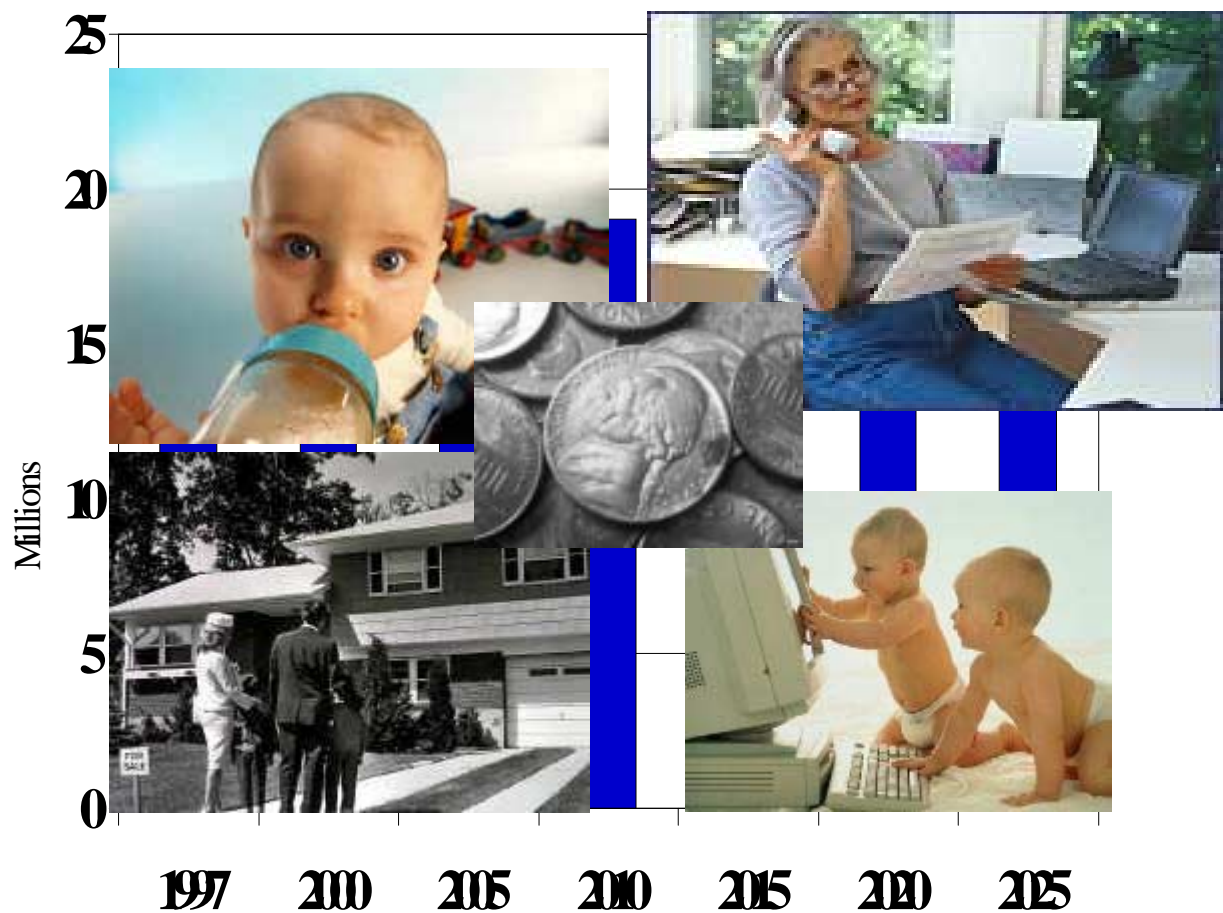


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INTRODUCTION

This report presents the results and analysis of the 2001 RTP Socioeconomic Forecast that was adopted by the SCAG Regional Council in April 2001. The 2001 RTP Socioeconomic Forecast includes projections of population, households and employment by five -year increments for the 1997-2025 period. The projections were developed at the following geographical levels: regional, county, sub-regional, city, transportation analysis zone (TAZs), and minimum planning unit (MPUs). The focus of this report is on the regional and county level analysis.

The SCAG region encompasses a total of over 38,000 square miles. It includes Imperial, Los Angeles, Orange, Riverside, San Bernardino and Ventura counties. The SCAG region is projected to add 6.5 million people, 2.2 million households and 3.0 million jobs over the forecast period. In addition to the projected growth, the region will also experience changes in age structure and ethnic composition, a shift in employment from the western to eastern portions of the region and a continuing shift from a manufacturing to a service-based economy.

The following are the major highlights of the 2001 RTP Socioeconomic Forecast:

Population and Households

- Annual population growth of 232,000 persons or a 1.4% annual growth rate.
- The leading contributors to population change are: natural increase, net international migration and domestic migration.
- Hispanics are the largest minority group. They are expected to represent a majority of the SCAG region population by 2025.
- The Non-Hispanic White share of the population is projected to decline dramatically between 1997 and 2025.
- There is projected to be a dramatic increase in the percentage of the population 65 and older by the year 2025. This is due primarily to the aging of the baby boom population.
- One in four Non-Hispanic Whites are expected to be over 65 years of age by the year 2025. The young and working age populations are both projected to shrink during the same period. This is primarily due to low fertility rates and out migration.
- The Hispanic ethnic group will be considerably younger than the rest of the population. This will be caused by high fertility rates and the influx of young immigrants.
- Los Angeles County is projected to capture the largest share of regional population growth followed by Riverside and San Bernardino

counties. Imperial and Riverside counties are projected to have the highest percentage rates of growth.

- Los Angeles County's share of total regional population is projected to decline over the forecast period. Conversely, Riverside and San Bernardino counties are projected to increase their shares so that by the year 2025, one out of four people in the SCAG region will live in the Inland Empire.
- Riverside and San Bernardino counties are projected to increase their share of regional households due to their relatively faster population growth.

Employment

- Employment growth during the 1997-2025 period is projected to slow considerably from the growth experienced during the 1972-1997 period. One of the main reasons for this trend is the aging of the baby boom population, which results in slower labor force and employment growth.
- continued shift in employment eastward from the coastal counties to the Inland Empire. The share of regional employment will decline in Los Angeles County and increase in Riverside and San Bernardino counties.
- The shift from a manufacturing to a service-based economy will continue during the forecast period. The manufacturing share of total employment is projected to decline from 15% to 11% while the services share will increase from 37% to 42%.
- Imperial County is projected to have major changes in its economy due to increased trade and commerce with Mexico. The decline in the share of agricultural employment will be offset by increasing shares of employment in services, construction and government.
- Los Angeles County is projected to add one million jobs during the forecast period and will parallel the region in its shift from a manufacturing to a service-based economy.
- Orange County is projected to add approximately 700,000 jobs with increased shares of employment in services, TCU, retail and FIRE employment during the period.
- Riverside and San Bernardino counties are projected to add over one million jobs during the period with increased shares in services, construction, TCU and wholesale trade.
- Ventura County is projected to add 130,000 jobs between 1997 and 2025. Agriculture and manufacturing are projected to decrease their share of total employment while the share in services is projected to increase.

Population

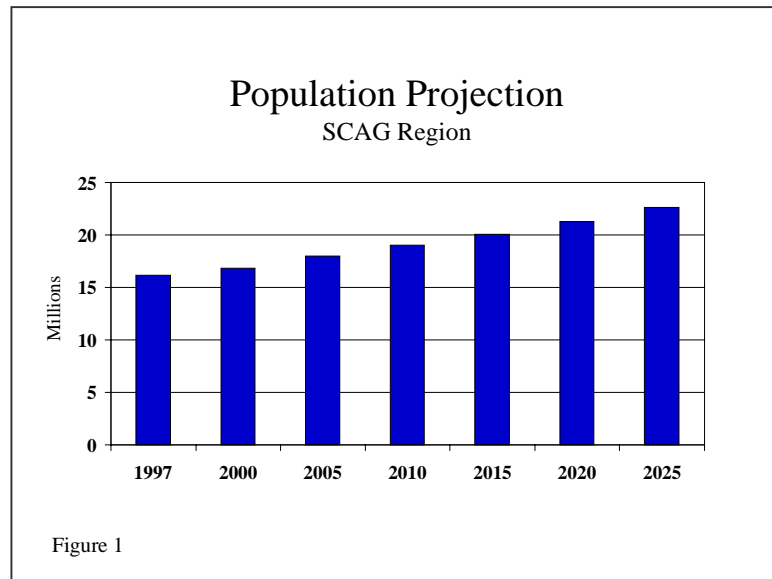
Numerical Growth

Based on the 2001 SCAG Regional Transportation Plan (2001 RTP) Socioeconomic Forecast, SCAG's regional population is projected to increase to 22.6 million by 2025, a 6.5 million increase from 1997 population estimates. Population growth at an annual rate of 1.4% is projected to add about 232,000 people to the region per year. The region's population growth is caused by changes in three major components: natural increase, domestic (interstate) migration and international immigration.

Natural increase is the net gain after subtracting the number of deaths from the number of births. It is the most prominent source of growth in the region and accounts for about 80 percent of regional population growth. Of the projected 6.5 million population growth, 5.23 million is projected to be due to natural increase.

Net international immigration is the second major contributor to regional population growth due to the unique cultural mix, job opportunities and the geographic location of the SCAG region. The SCAG region is heavily influenced by Latino, Asian and Middle-Eastern cultures. The regional economy can offer better economic opportunities than many other places, so the SCAG region is at the top of the list of preferred places of residency for foreign immigrants. Moreover, since the SCAG region is adjacent to the Mexican border, it is very convenient for immigrants from Mexico to immigrate to this area. The projected net international immigration (including both legal and illegal immigrants) is 3.4 million.

Domestic migration measures the net change of the inflow of population from other regions to the SCAG region and the outflow of population from the SCAG region to other regions. Domestic migration is the third most important contributor to the regional population change. Based on SCAG's projection, the



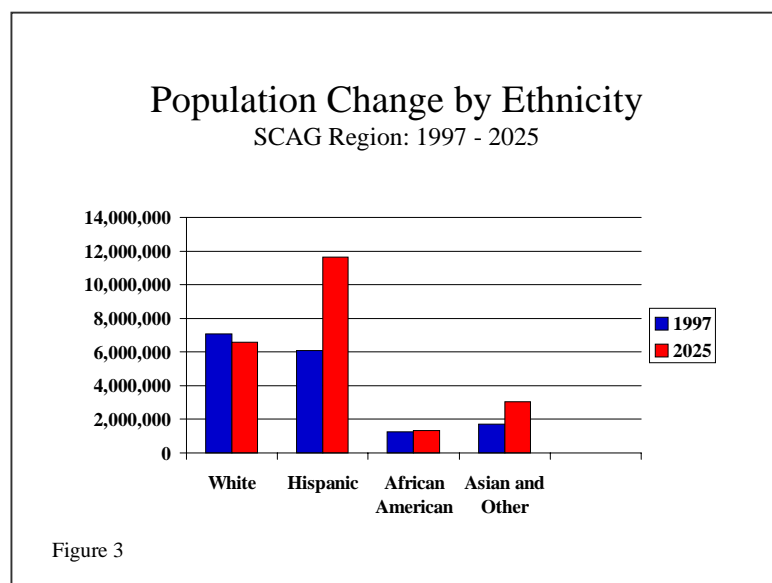
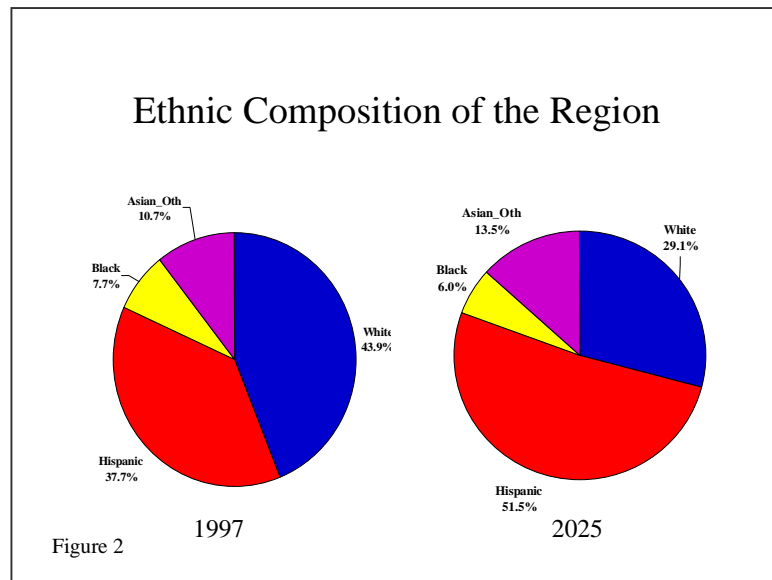
region is projected to experience a net domestic migration loss of 2.15 million by 2025.

The combination of domestic out-migration and international immigration will yield a 1.25 million net population gain, accounting for about 20 percent of the regional population growth.

Race and Ethnicity

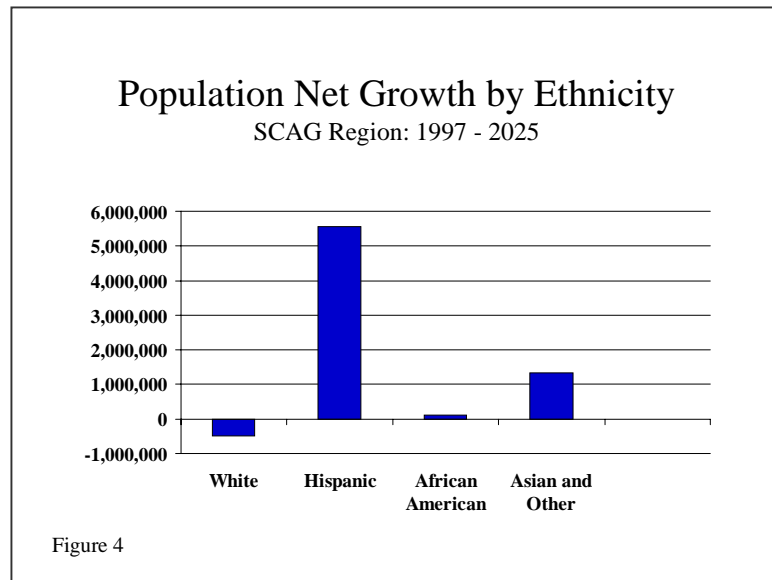
The past decade has witnessed significant changes in the region's racial and ethnic composition. The share of Hispanics has increased dramatically while the share of the White population has decreased. According to the 2000 Census, Non-Hispanic Whites are no longer a majority in the SCAG region. There is no racial or ethnic majority in the region today. Hispanics are the leading minority, accounting for 40.6 percent of the regional population. Non-Hispanic Whites are the second largest minority, accounting for 38.8 percent of the regional population. The share of African Americans in the 2000 Census is smaller than in the 1990 Census. The share of Asian and Pacific Islanders is higher in 2000 than in the 1990 Census.

The continuing growth trends of race and ethnicity of this past decade are reflected in the 2001 RTP Socioeconomic Forecasts. Hispanics account for the largest population increase. The Hispanic



population is projected to increase by 5.57 million, which represents 85.6 percent of the regional population growth. By 2025, the Hispanic population is projected to nearly double (up 91 percent) and become the majority. Approximately one out of two persons in the SCAG region is projected to be of Hispanic origin.

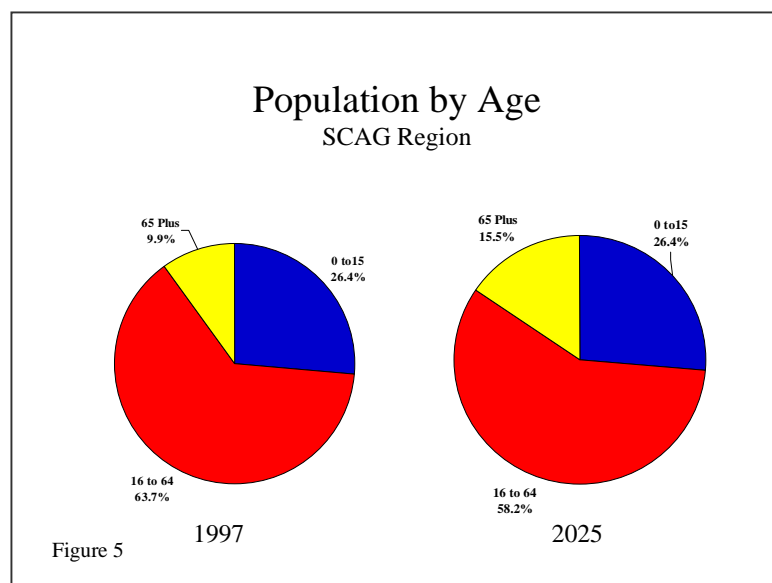
The second fastest growing group is the Asian and Pacific Islander, which is projected to add 1.33 million people to the region and capture about 20.4 percent of the regional population growth. The African-American population growth is very slight; it is projected to increase about 107,000 people to the region.



The Non-Hispanic White population in the SCAG Region is projected to decrease - not only in terms of relative share - but also in terms of absolute numbers. The Non-Hispanic White population is projected to decrease by about half a million people. Non-Hispanic Whites are the only ethnic group that is projected to experience negative growth. The region is projected to lose roughly about 18,000 White residents per year primarily because of their low birth rates and out-migration to other regions.

Age

In the year 2025, about 3.5 million people are projected to be 65 and older, an increase of 1.9 million from 1997. Thus, 15.4 percent of the population is projected to be eligible for social security benefits. Approximately one in six people in the region is expected to be a senior citizen compared to one in ten

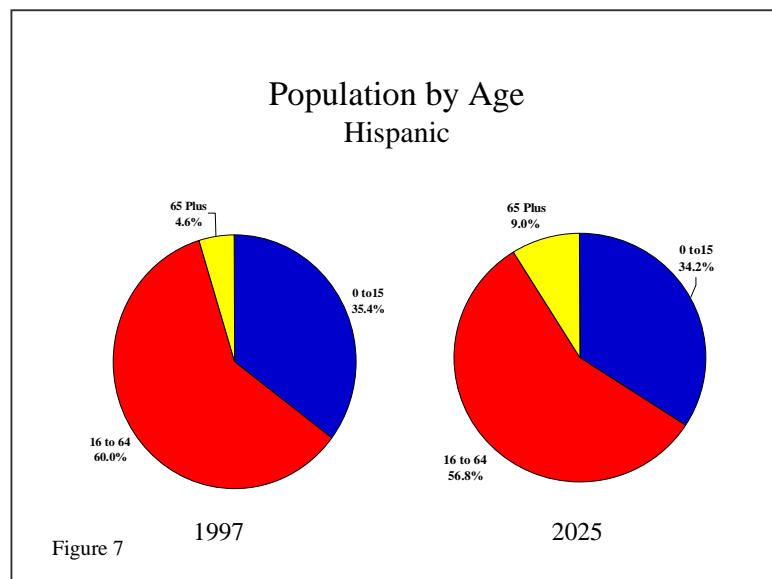
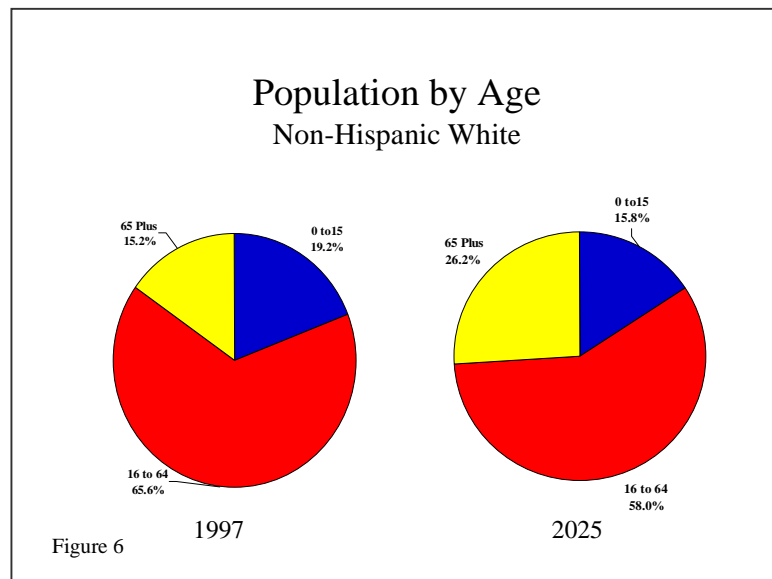


today. Therefore, the demand for senior citizen services will increase dramatically along with the increasing senior population. The region will face a heavy demand for more health care facilities, senior living facilities, nursing homes and an increasing demand for public transportation. When seniors are unable to drive safely, they will need public transportation to help them travel from one place to another. Labor force participation for the 16 to 64 age group is projected to decline from 63.7 percent in 1997 to 58 percent in 2025. Therefore, there will be a smaller work force to pay the taxes that are needed to support the aged population group in 2025 than there was in 1997. The percentage of young children age 0 to 15 is almost unchanged from 1997 to 2025.

Age and Ethnicity

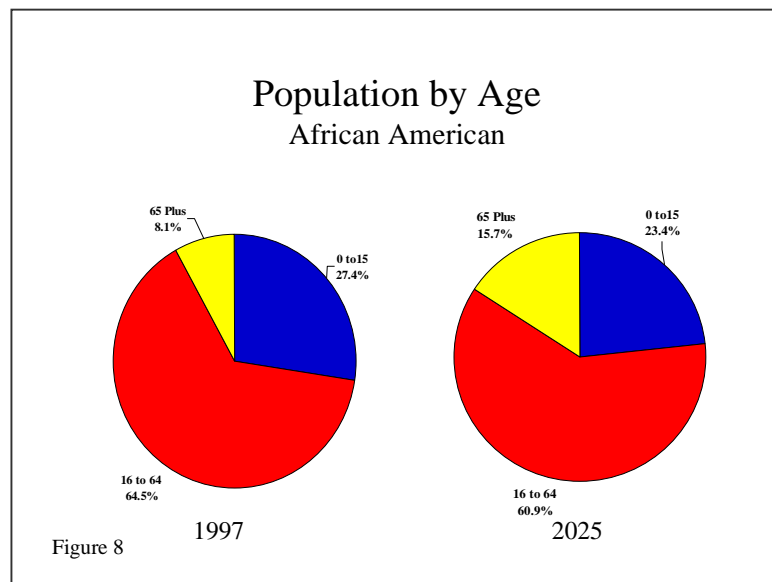
The percentage of the elderly population varies dramatically between different race and ethnic groups. The white population is projected to be older in 2025 than today. One out of four Non-Hispanic Whites is projected to be 65 and older by 2025. In contrast, the young White population between ages 0 to 15 and the working force White population between ages 16 to 64 are both projected to shrink due to low birth rates and the out-of-the-region migration trend.

Although the Hispanic population is projected to be older in 2025 than it is today, it will still be relative young compared to the regional population. The median age for Hispanics is projected to be 29.6 in 2025, compared to the median age of 43.4 for White. Nine percent of Hispanic

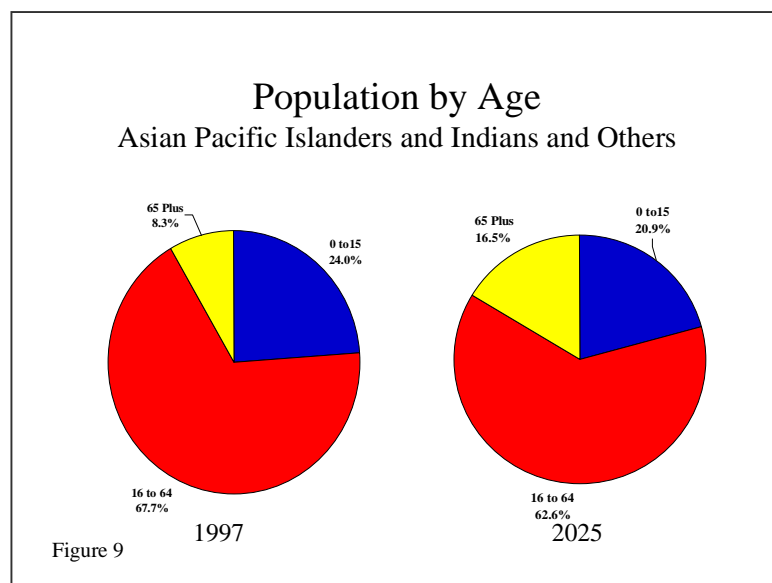


population is projected to be 65 and older in 2025. In contrast, 26 percent of White population is projected to be 65 and older in 2025.

The African American population is also projected to be older in 2025 than in 1997. One in six African-Americans is projected to be 65 and older in 2025 compared to one in twelve today. The percentage of senior citizens is projected to double by 2025. The youngest age group (0 –15) is shrinking in terms of both percentages and absolute numbers.

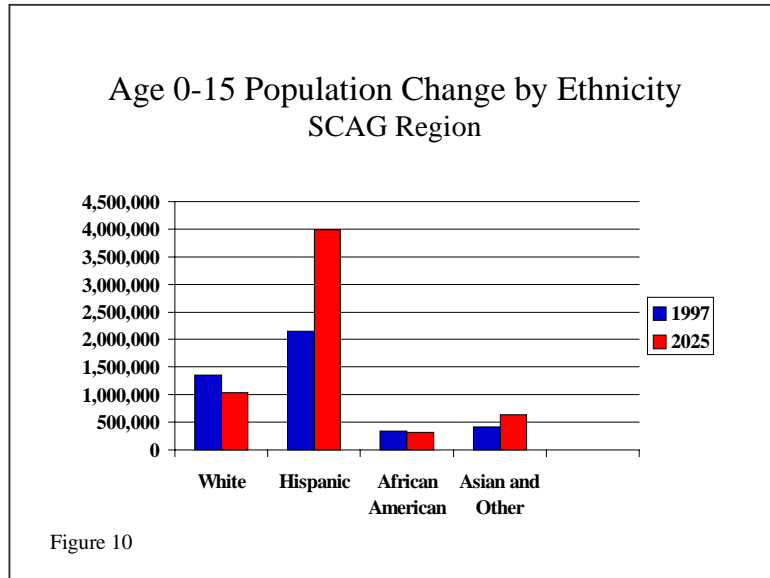


Consistent with the regional trend, Asians in the 65 and older age group are projected to increase. One in six Asians will be 65 and older in 2025, compared with one in twelve today. The first generation of Asian immigrants tends to live in an extended family and care for their elderly parents in their own homes. The second and third generations of



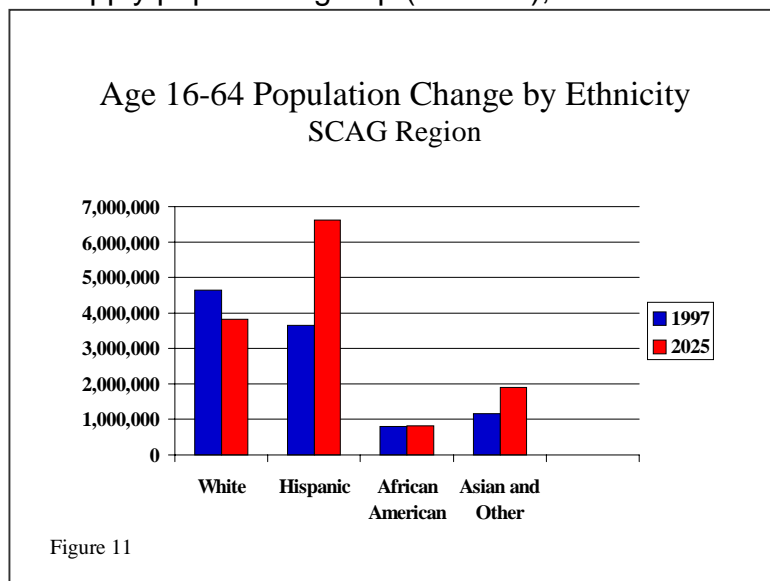
Asians might not continue this tradition. A higher percentage of elderly Asians may be living in nursing homes by 2025 than they do currently. The demand for senior citizen related services will likely be strong.

An examination of the three major age cohort groups produces a more detailed picture of the age and ethnic diversity. In the 0 to 15 age group, because of the low fertility rate and the out-of-region migration, the White population is projected to decrease 319,000 by 2025 which is a 23.4 percent drop from 1997. In contrast, the Hispanic youth population is projected to increase 1.8 million, which is an 85 percent increase from 1997. Hispanics have the highest fertility rate. The continuing influx of young



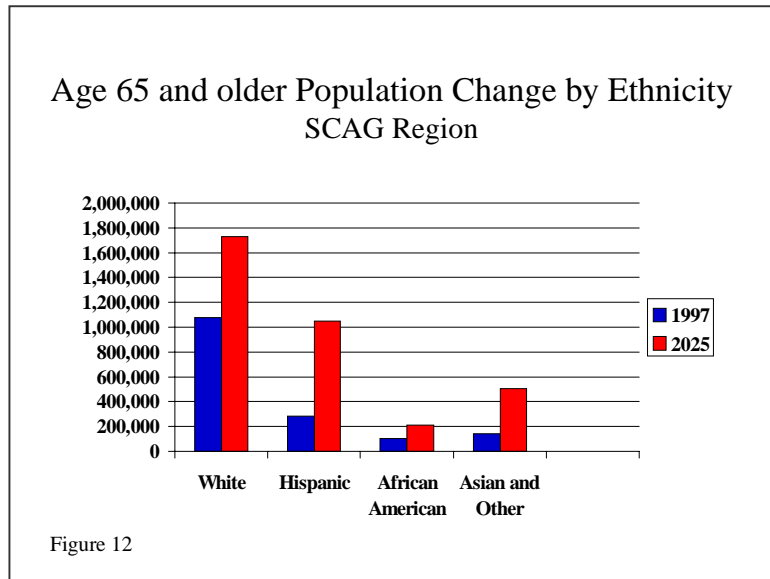
immigrants also contributes to this rapid growth. The region is facing and is projected to continue to face increasing challenges in education – how to prepare such a racially and ethnically diverse young population to build the region's future.

Among the labor force supply population group (16 to 64), the White population is projected to decrease by 827,000, which is down 18 percent from 1997. The net domestic outflow of population from this region is the major cause of the White population decrease. The continuing low fertility rate is another reason for the reduction in the region's White population. The Hispanic population is projected to increase



almost 3 million in 2025, which is up 81 percent from 1997. The continued high birth rate and the immigration of young Hispanics from Latin America are major contributors to this rapid increase. The African American population is expected to change the least, while the Asian population is projected to increase by 64 percent or 240,000 by 2025.

The region's 65 and older population is projected to increase during the next 25 years, both in absolute numbers and as a percentage of the population. Many retired people tend to migrate to other states where there is a lower cost of living. Virtually no foreign immigrants in this age group come to this region. However, the oldest age group is projected to increase rapidly due to the natural aging process. The "baby boomers" are the major influence.

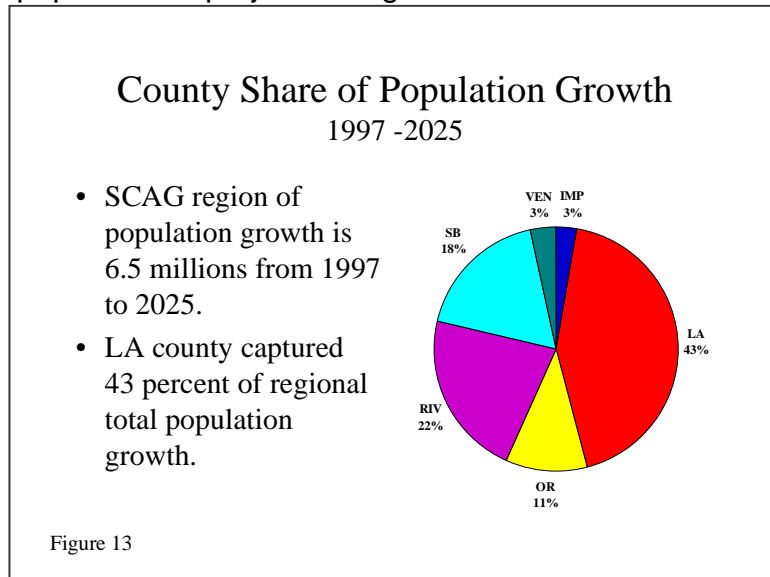


The majority of the "baby boomer" generation is projected to be in the 65 and older group by 2025. The region is projected to face a huge challenge – how to accommodate the increasing need for senior citizens services.

Population Change by County

The SCAG region's population is projected to grow to 22.6 million in 2025, an increase of 6.5 million from 1997.

Among the six counties, Los Angeles County is projected to capture the largest share of the population growth. Los Angeles County is also projected to have the highest numerical population gain in the Region. The Inland Empire region is projected to have the next largest increase. Riverside County is



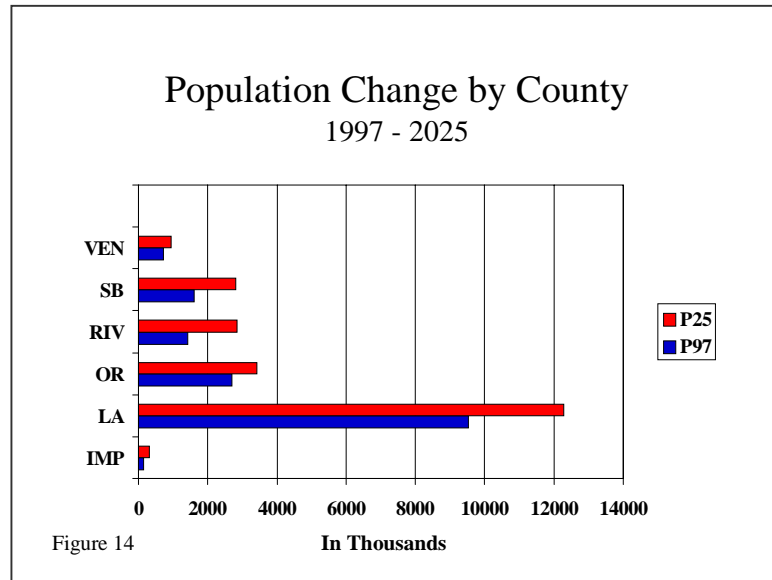
projected to grow slightly faster than San Bernardino County. Riverside County is expected to have a 1.4 million-population increase while San Bernardino County is projected to add about 1.17 million people by 2025. Orange County is

ranked fourth in population growth. Ventura County is projected to add less than a quarter of a million people. Imperial County is projected to add about 176,000 people during the same period.

Measured by the rate of growth, Imperial County is the fastest growing county and its

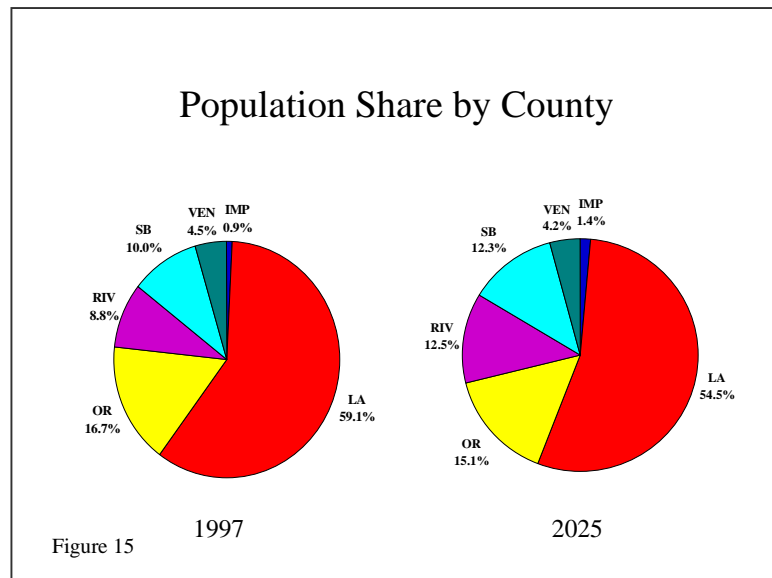
population is projected to more than double by 2025. Imperial County also has the highest annual population growth rate - 4.4 percent, which is three times higher than the regional average rate of 1.4 percent. Riverside County is projected to be the second fastest growing County; the county's population is projected to double by 2025. Its annual growth

rate is 3.6 percent. San Bernardino County is ranked third with an annual growth rate of 2.6 percent. The annual population growth rate for the remaining three counties is below the regional average. Ventura County is ranked fourth with an annual growth rate of 1.1 percent. Los Angeles County, ranked fifth, has an annual growth rate of 1 percent. Orange County is projected to have the slowest annual growth rate.



The county-by-county population share is expected to undergo some changes from 1997 to 2025. The Inland Empire (Riverside and San Bernardino counties) is projected to increase their share of the region's population. One in 4 people in the region are projected to live in the Inland Empire by 2025. The population growth in the Inland Empire results, in

part, from the migration of people from Los Angeles County and Orange County

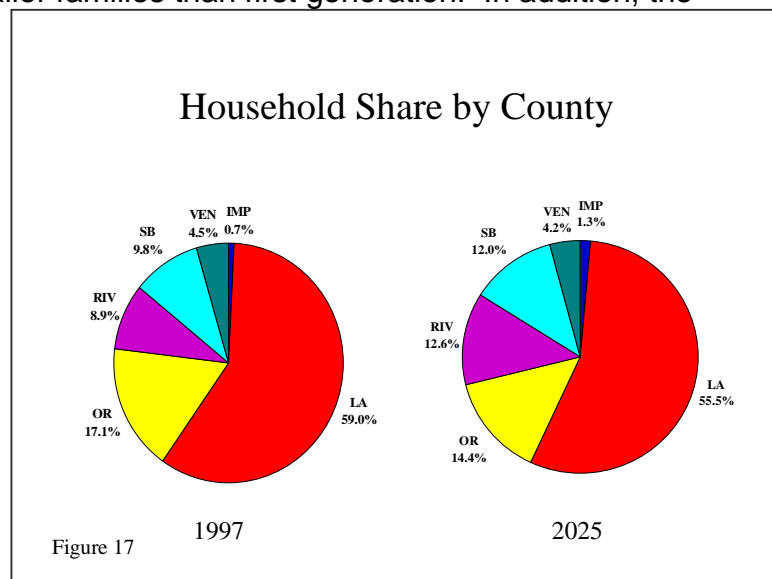
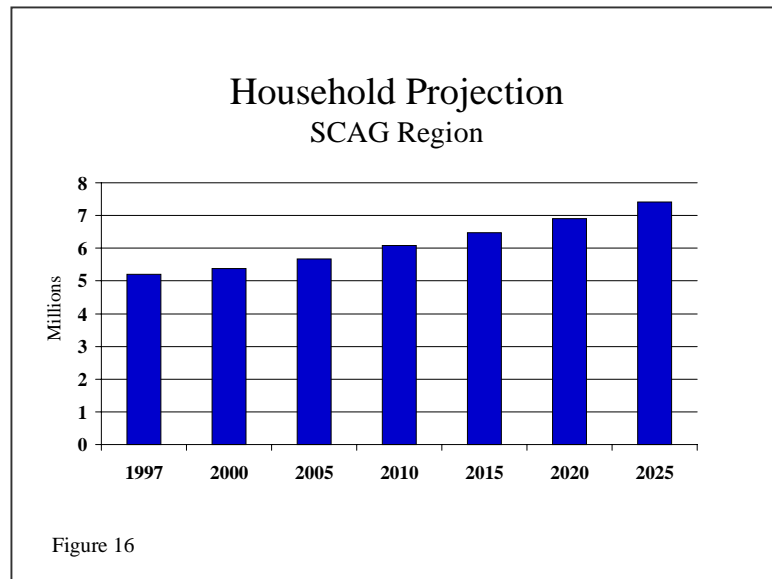


to the inland area to take advantage of lower priced housing. Although both Los Angeles and Orange Counties are projected to have a smaller share of population, Los Angeles County is projected to still be home to more than half of the regional population. Ventura County's share of the regional population is projected to slightly decrease. Imperial County's population growth rate is expected to be rapid but they will continue to have the smallest share of the regional population.

Households

The number of SCAG region households is projected to increase to 7.42 million in 2025, which represents a 2.2 million household increase from the 1997 estimates. The regional household growth rate is about 1.5 percent per year, which is slightly faster than the annual population growth rate. The number of persons per household is projected to decrease very slightly (from 3.1 in 1997 to 3.05 in 2025). The slight decrease in household size can be attributed to two major factors. Many of the Hispanics and Asians in the 2025 population are projected to have been born in US. The second generation of immigrants often has smaller families than first generation. In addition, the regional population is projected to be older in 2025 than in 1997 and the senior citizen age group is projected to have a smaller household size than the middle-aged population.

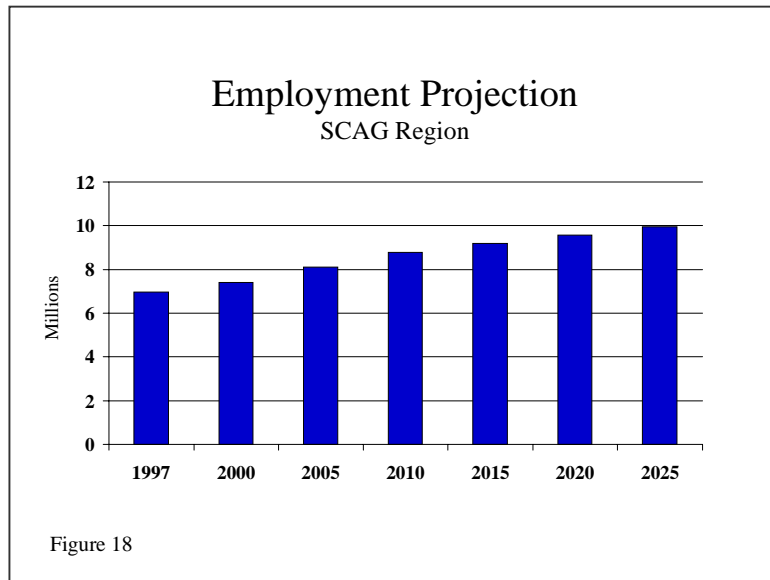
The household share by county is strongly correlated with the population share by county. Riverside County and San



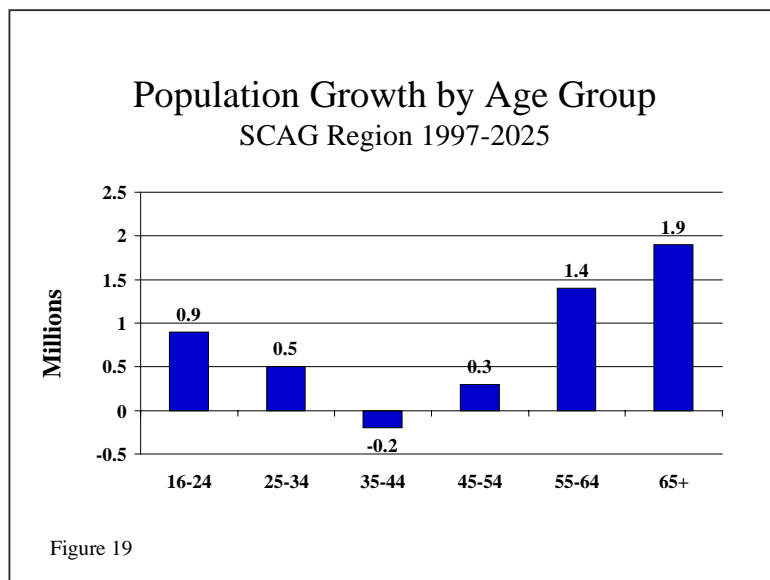
Bernardino Counties are projected to increase their household shares of the region due to their relatively fast population growth. By 2025, roughly a quarter of the households in the region are projected to be located in the Inland Empire. The Los Angeles County and the Orange County shares are projected to drop due to the lower than average regional population growth rate.

Employment

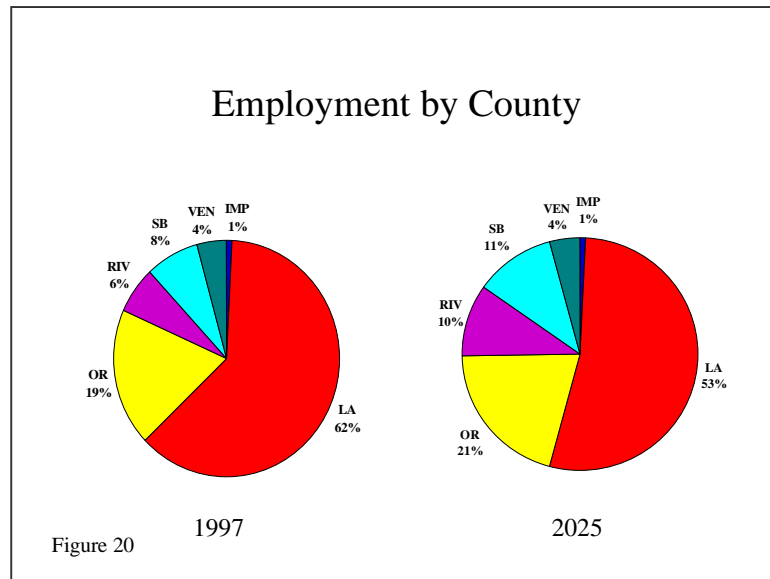
Total employment in the SCAG region is projected to increase from 7.0 million jobs in 1997 to 10.0 million jobs in 2025. This represents a total employment increase of 3.0 million jobs or an annual increase of 1.5% during the forecast period. This is considerably slower than the 2.5% annual growth rate that occurred during the 1972-1997 period. This slowdown in employment growth reflects long-term changes in the United States and California economies. One of the main factors is expected to be the aging of the baby boomer population.



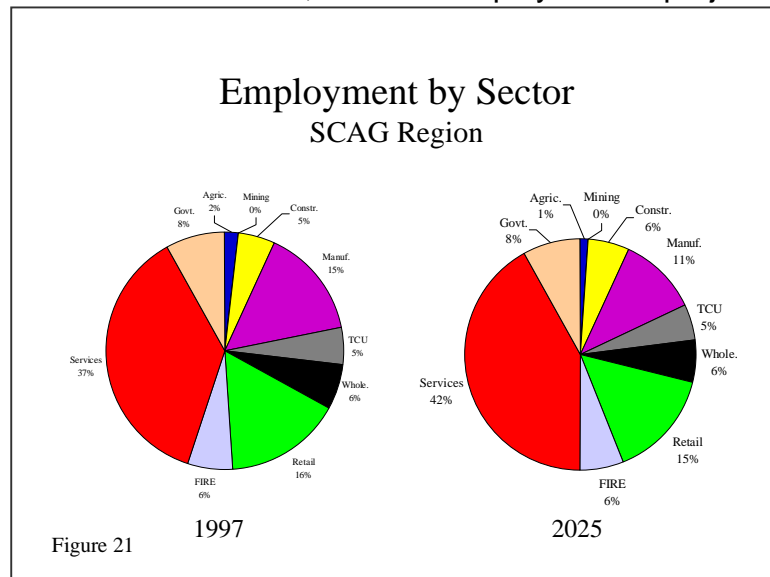
Population growth in the SCAG region in the forecast period is expected to be concentrated in the older age cohorts (55-64 and 65+). Population in the prime working age cohorts (35-44 and 45-54) is expected to either grow very slowly or decline. Since the older age groups have much lower labor force participation rates, the future SCAG region labor force is expected to grow slowly during the forecast period. This lack of labor force availability will constrain future employment growth.



The 1997-2025 forecast period is characterized by a continued shift of employment from the coastal counties to the inland counties. The Los Angeles County share of regional employment is projected to decline from 62% in 1997 to only 53% in 2025. Riverside County's share is projected to increase from 6% to 10% while the San Bernardino County share of regional employment is projected to increase from 8% to 11%. The Orange County regional employment share is projected to increase from 19% to 21%. Imperial and Ventura counties will maintain a total share of 5% of regional employment.



The SCAG region is projected to continue to experience a shift from a manufacturing to service-based economy during the forecast period. The manufacturing share of total regional employment is projected to decline from 15% in 1997 to only 11% in 2025. Meanwhile, services employment is projected to increase from 37% to 42% during the same period. The construction share of regional employment is projected to increase slightly while the share of agricultural jobs will decline due to continued urbanization throughout the region. The share of retail employment is also projected to decline slightly. The shares of FIRE, wholesale trade, TCU and government employment are all projected to remain constant.

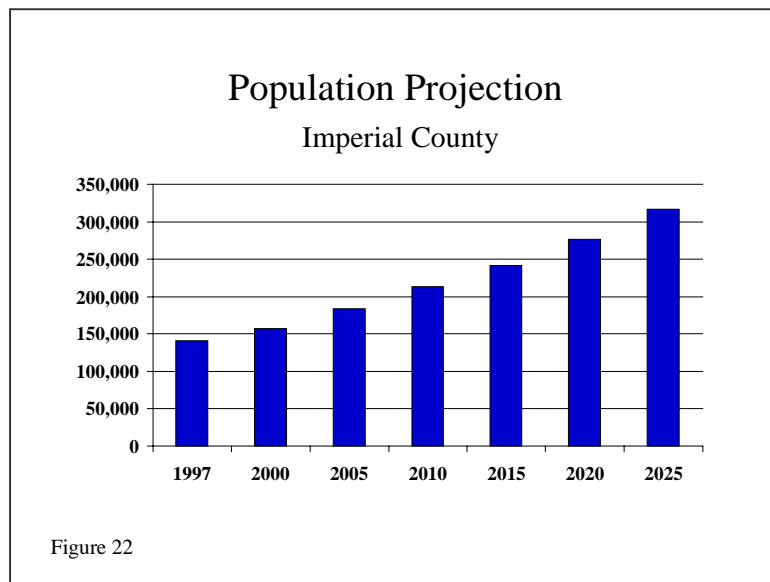


Six Counties

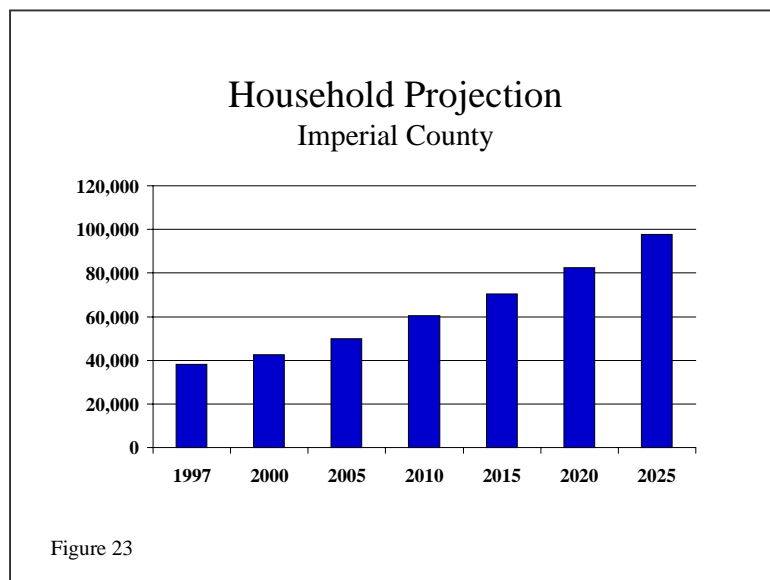
Imperial County

Population and Households

Imperial County shares a border with Mexico and is primarily agricultural. The county currently has about 1 percent of the SCAG regional population and about 1 percent of the households. The 2000 Census shows that the current population is 142,361 with 39,384 households.

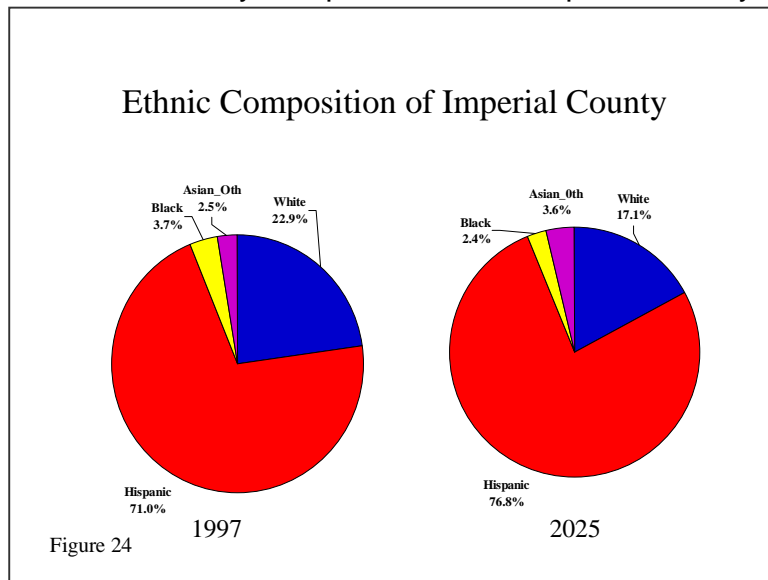


Imperial County's population is projected to be 318,000 in 2025, a 124 percent increase from its 1997 population. The number of households is projected to be 97,900 in 2025, up 155 percent from 1997. Based on the SCAG 2001 RTP Socioeconomic Forecast, the Imperial County population

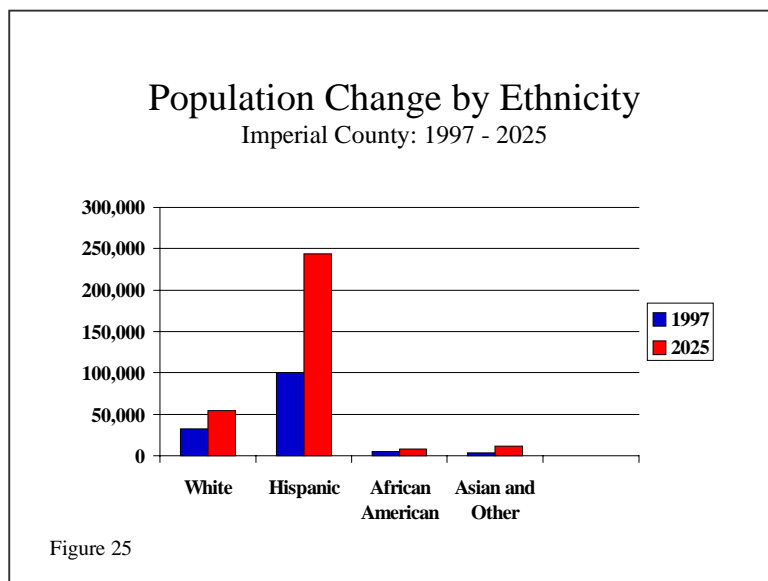


and households are expected to grow at a faster pace than the regional average. Population is projected to grow at an annual rate of 4.4 percent and households are projected to grow at annual rate of 5.5 percent.

The County's rapid growth rate is primarily a result of the large Hispanic population in the county. In 1997, seventy one percent of the Imperial County population was Hispanic. Hispanics have the highest fertility rate, which is the dominant cause of the rapid population growth. In addition, the county is adjacent to Mexico; it is very convenient for many migrant workers to live in the Imperial County on a permanent basis. The Hispanic population is projected to grow from 100,000 in 1997 to 244,000 in 2025.



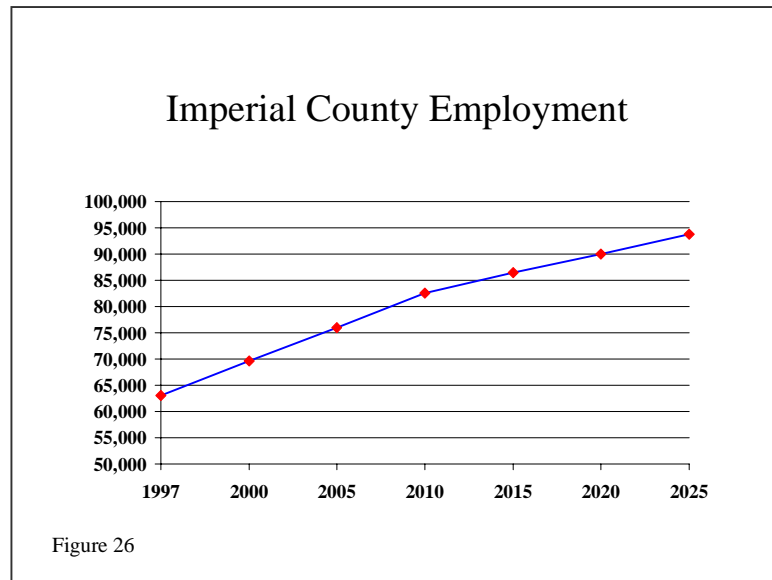
Unlike Los Angeles County and Orange County where the white population is expected to decrease, the Imperial County White population is projected to increase about 70 percent during the 1997 to 2025 period. This is the highest percentage increase of the white population in the region.



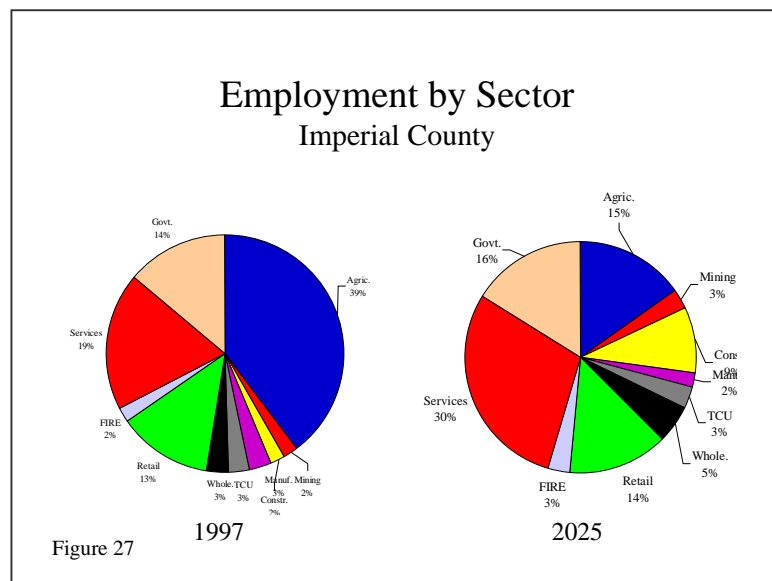
African Americans are expected to increase by 50 percent between 1997 and 2025. The numbers of Asians are expected to triple during this period. But these two groups are projected to have very small percentage shares in the county.

Employment

Total employment in Imperial County is expected to experience a slow, steady increase over the forecast period. During the 1997-2025 period employment is projected to increase from 63,000 to 94,000 jobs. This represents an average annual increase of 1,100 jobs or 1.8% during this period.



Imperial County has been and will continue to be an important agricultural area within the SCAG region and state of California. Nevertheless, continuing development and urbanization resulting from increased trade and commerce with Mexico will result in a change in the economic structure of the county. The share of total employment in agriculture is projected to decline from 39% in 1997 to 15% in the year 2025.

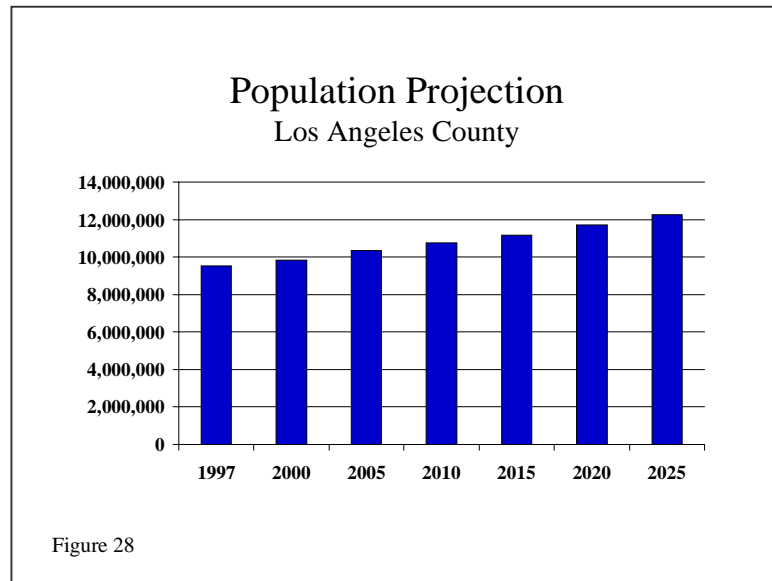


The declining share of agricultural jobs will be offset by increasing shares of employment in services, construction and government. A major transportation center named as Gateway project will be built near the south border in the County. The Gateway project is expected to stimulate local economic growth and will create many jobs in the area.

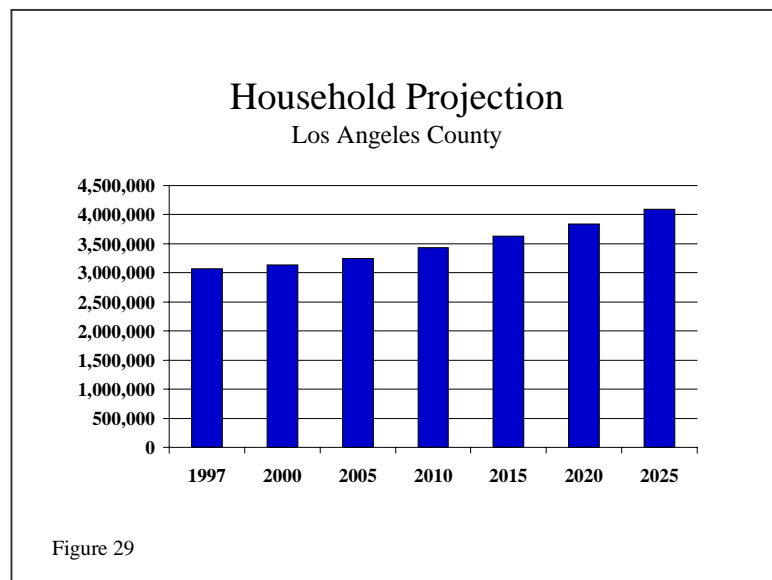
Los Angeles County

Population and Households

Los Angeles County has the most diversified racial and ethnic composition in the Nation. It is a “melting pot” of a variety of cultures. It is likely that international immigrants from any country in the world could meet somebody who speaks their native language and find an ethnic food store in Los Angeles County. Los Angeles County continues to attract large groups of foreign immigrants due to its unique multicultural society and the large variety of job opportunities.

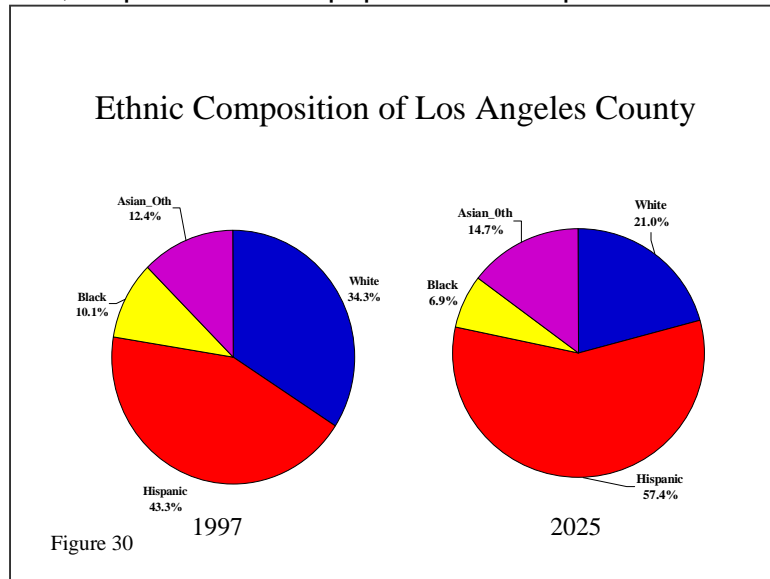


Los Angeles County has the largest population in the region. The county has a larger population and more households than the other five counties combined. It is projected to experience the largest share of both regional population and household growth. The county population is expected to increase to 12.3 million by 2025, adding 2.8 million people to the region.



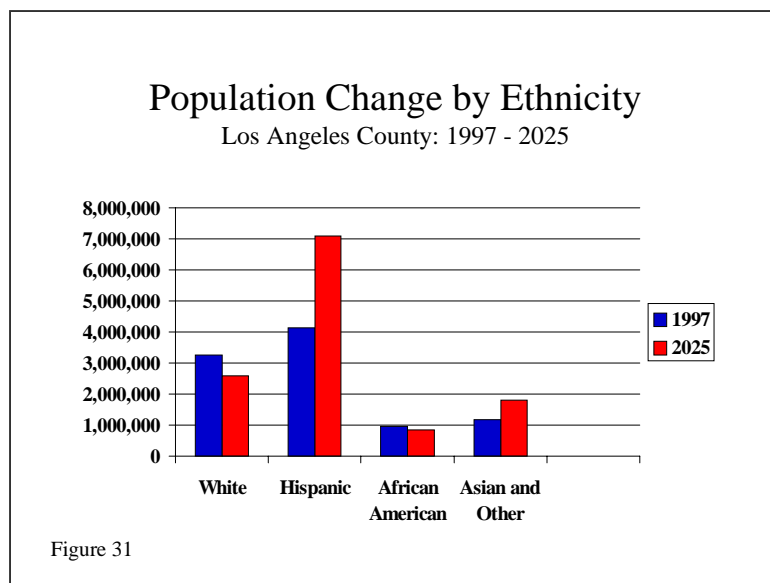
The number of households in the county is expected to increase by 2 million from 1997 to 2025.

Currently, Hispanics are the largest ethnic group in Los Angeles County. Based on the 2000 Census, 43 percent of the population is Hispanic. Because of a high fertility rate and immigration from Latin America, the Hispanic population is projected to become the dominant majority in Los Angeles County in 2025. Approximately three out of five people in Los Angeles County will be Hispanic by 2025. The Asian and Pacific Islander population is also projected to increase by 53 percent between 1997 and 2025.



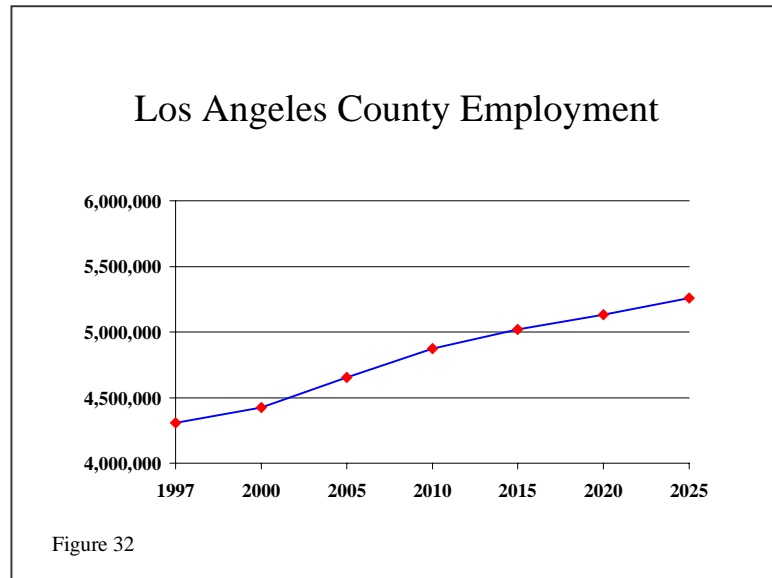
The rapidly growing Hispanic and Asian groups will cluster in the unique ethnic and cultural centers Los Angeles County provides. The number of Whites and African Americans is projected to decrease as more Whites and African Americans are projected to leave Los Angeles County. Some are projected to move to the Inland

Empire to take advantage of affordable housing and safer living environments. Others will move to other states for better school and job opportunities. Retirees will move to lower cost of living states, such as Nevada, Arizona, Colorado and Oregon.

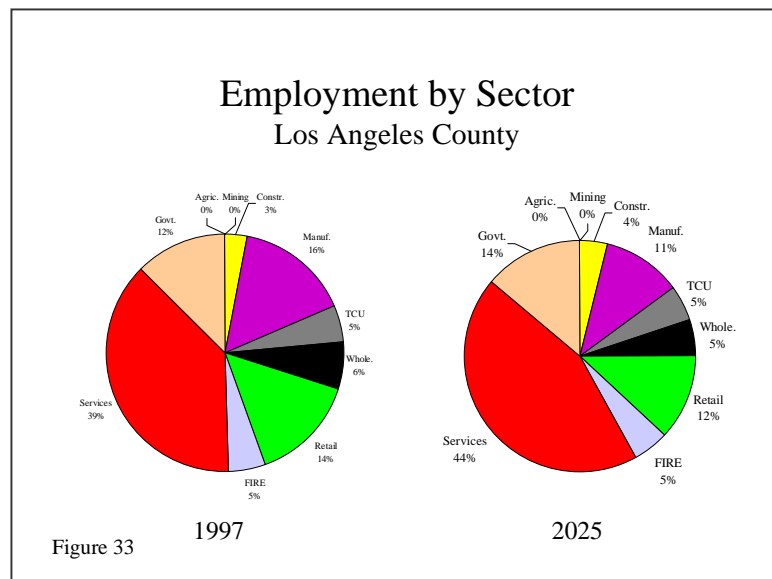


Employment

Total employment in Los Angeles County is projected to increase by nearly 1 million jobs over the 28 year forecast period. This represents an average annual increase of 35,000 jobs or 0.8% during the forecast period. This compares to an annual average increase of 43,000 jobs or 1.4% during the 1972-1997 period.



Los Angeles County is projected to continue its shift from a manufacturing to a service based economy over the forecast period. The manufacturing share of total employment declined from 25% in 1972 to only 16% in 1997. There was a dramatic reduction in aerospace employment, particularly during the 1991-1994 recession. Between



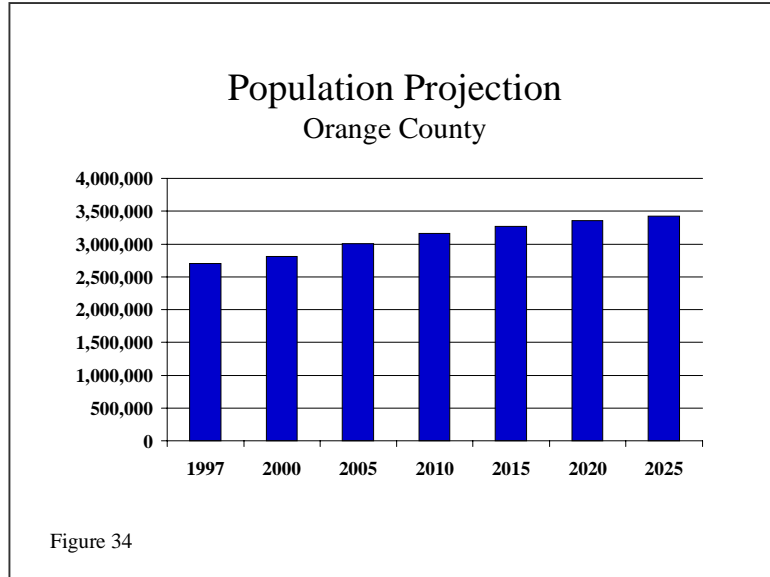
1997 and 2025 the manufacturing share of total county employment is projected to continue decline to only 11% by the year 2025. There is expected to be a continued shift toward service employment during this period. Services share of total county employment is projected to increase to 44% by the year 2025.

Orange County

Population and Households

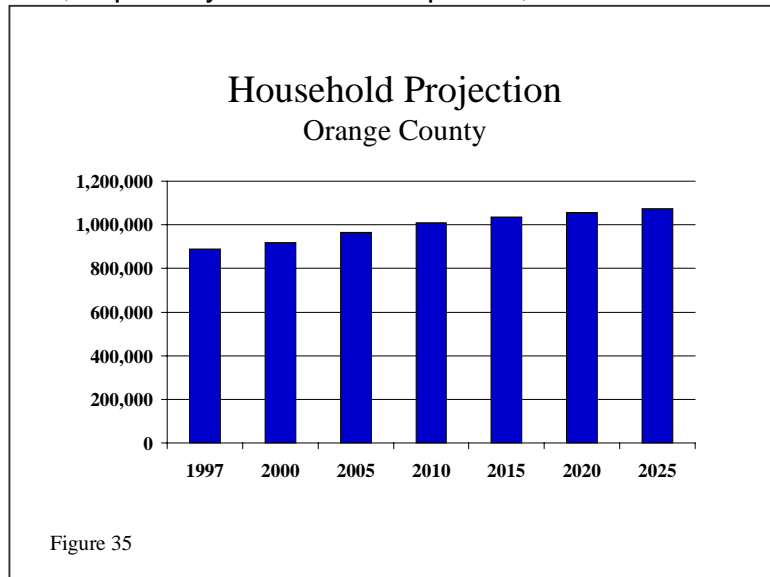
Orange County is the second largest county in terms of population in the region. The county had 2.85 million people and 935,000 thousand households according to the 2000 Census. The County's population is projected to increase to 3.4 million in 2025. This represents an annual growth rate of 0.9 percent. Total households in Orange

County are projected to reach 1.07 million in 2025. The annual growth rate for households is about 0.7 percent during the forecast period.



The county population is projected to grow at a faster rate than the number of households because of ethnic diversification and economic changes in the county. Ethnic minorities, especially Asian and Hispanics, tend to live together as an extended family in a single household. With an increasing Hispanic and Asian population in the County, the household size is projected to increase over time. Housing prices in Orange County have been rising very rapidly and are projected to continue to rise because the demand for housing exceeds the supply.

The high cost of Orange County housing is likely to prevent or delay the formation of new households. Many young people will have to live with their parents for a somewhat longer period of time before they can save enough to buy a new house.

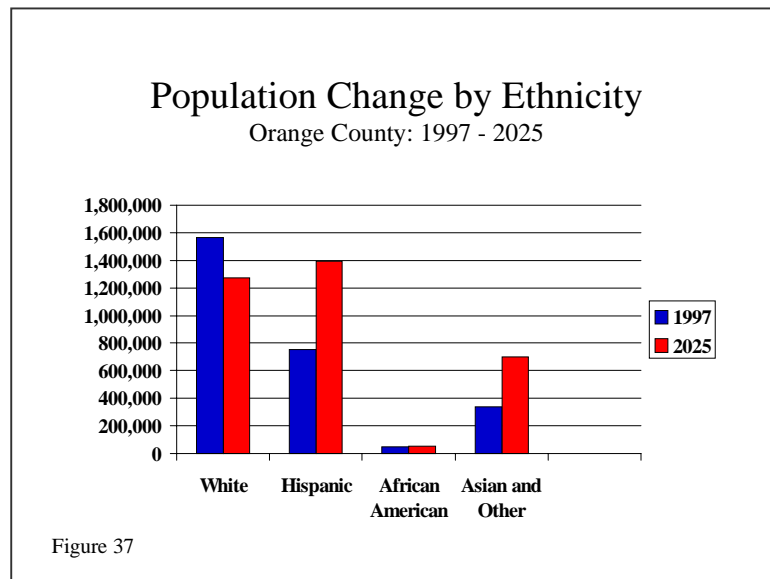
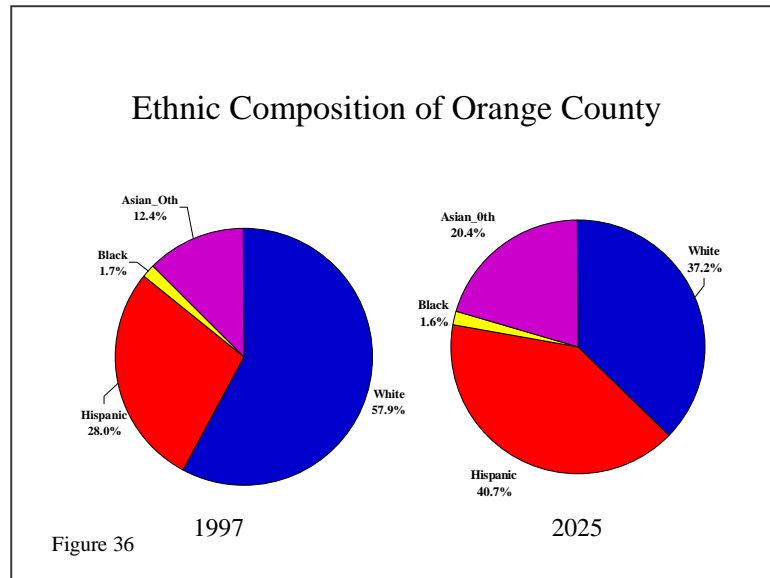


Although Non-Hispanic Whites are still the majority (51 percent) in Orange County according to the 2000 Census, Orange County is projected to be transformed from a county with a white majority population into a racially and ethnically diverse area. There will be no majority population by 2025, although Hispanics are projected to have the largest share of the population. The high fertility rate and the heavy immigration from Mexico are the major reasons for the increasing Hispanic population.

The Asian population is projected to double by 2025. Although the Asian fertility rate is generally low, the Vietnamese population has high fertility rates. The high Vietnamese fertility rate and the inflow of foreign immigrants from Asia are the major factors for the increasing Asian population in the County. The African American population is projected to change very little.

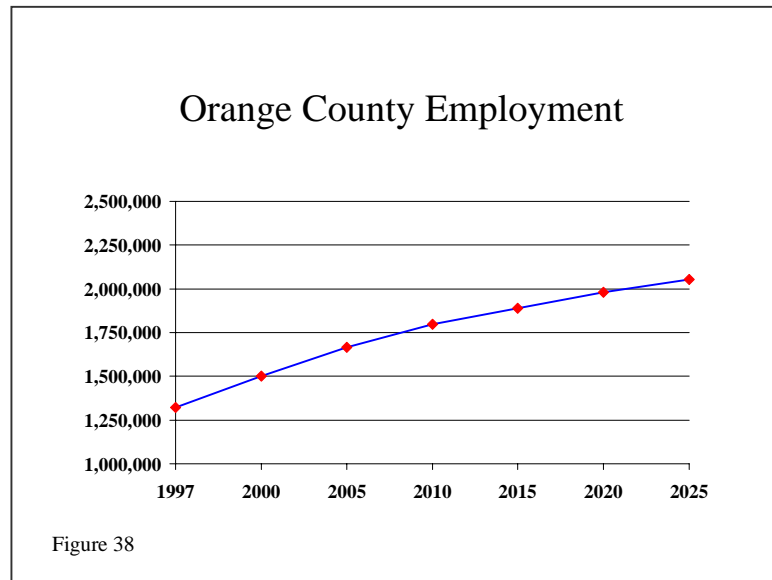
The White population is projected to decrease during the 1997 – 2025 period. There are several reasons for this negative growth. The fertility rate for the White population is low. With the

increasing number of senior citizens, deaths exceed births. Some older Whites choose to retire to other states with a lower cost of living, such as Nevada, Arizona, Colorado and Oregon. In addition, some of the White population is projected to move to the Inland Empire to take advantage of the lower housing costs.

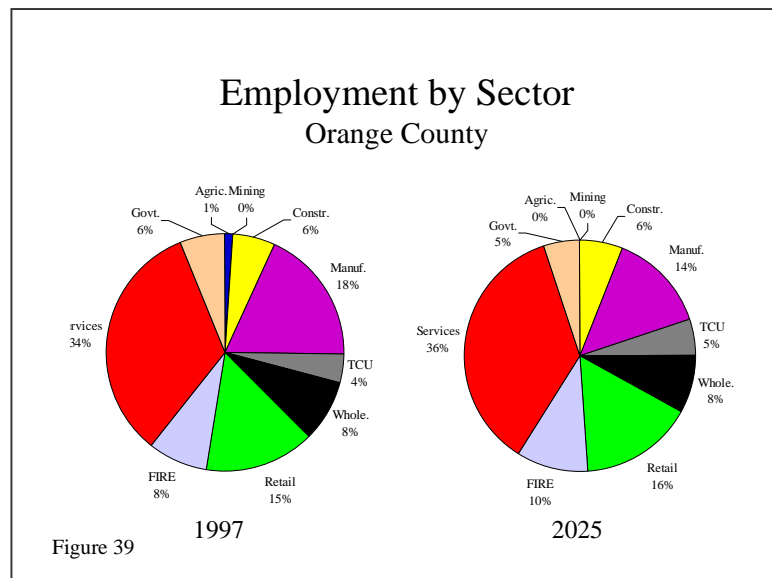


Employment

Total employment in Orange County is projected to increase from 1.3 million jobs in 1997 to 2.0 million jobs in the year 2025. This represents an average annual increase of 25,000 jobs or 2.2% during the forecast period. This compares to an annual increase of 32,500 jobs or 6.1% during the 1972-1997 period.



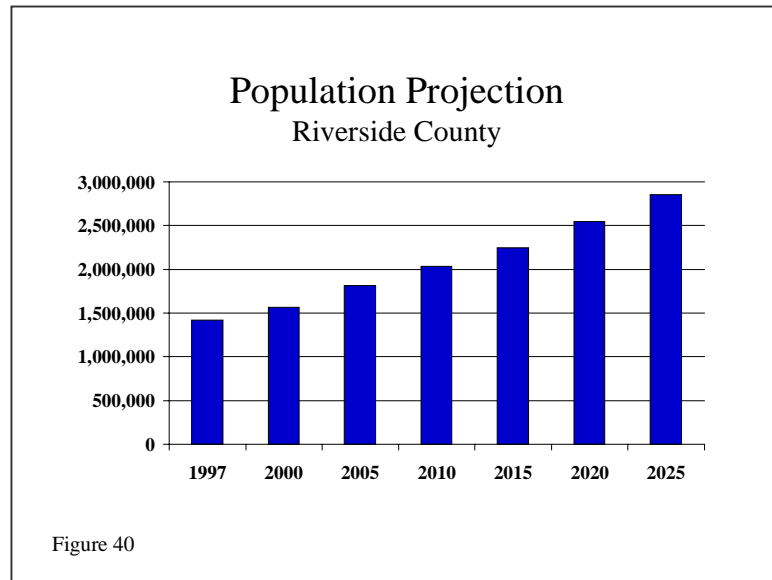
Orange County is projected to increase its share of service employment over the 1997-2025 forecast period. The services share of total Orange County employment is projected to increase from 33% in 1997 to 36% in 2025. Conversely, the manufacturing sector share of total Orange County employment is projected to decline from 18% in 1997 to only 14% in 2025. The transportation, communications and utilities, retail and FIRE sectors are also projected to increase their shares of total county employment during the forecast period.



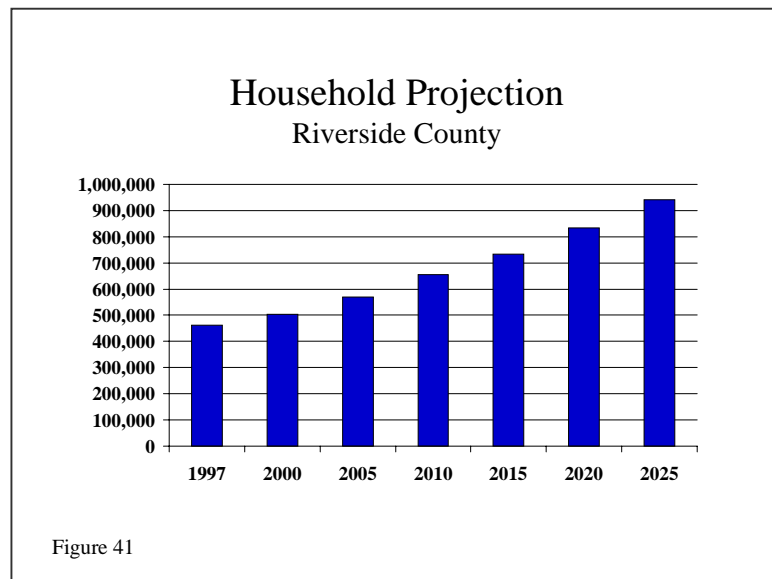
Riverside County

Population and Households

Southern California has been growing eastward and is projected to continue to grow toward fringe areas. Riverside County has been a main beneficiary of this growth trend. The population in Riverside County increased from 660,000 in 1980 to 1.5 million in the year 2000 according to the Census. The county's population and households are projected to grow at an annual rate of 3.6 percent. The population of Riverside County is projected to be 2.84 million in the year 2025. The number of households is projected to double to 934,000 by 2025.

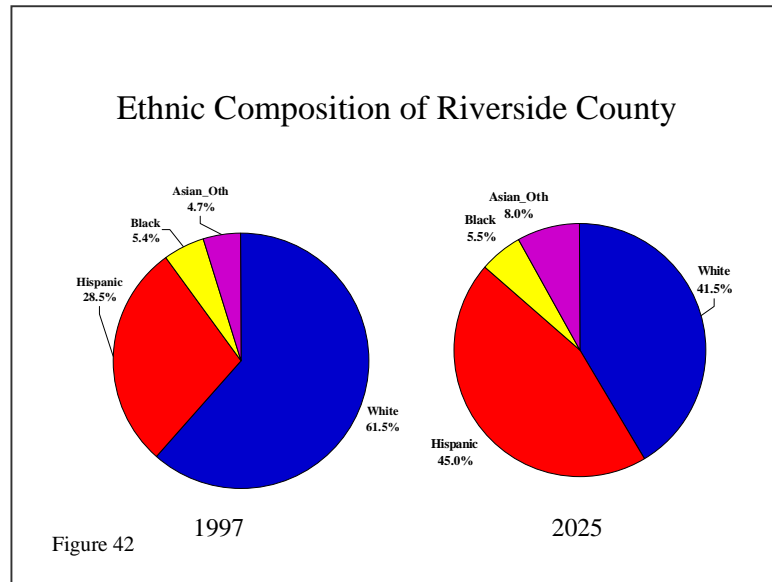


With the increase in residential real estate prices in Orange County, Riverside County has become more attractive for many new homebuyers. Many people have moved from Los Angeles and Orange Counties to Riverside County for its lower cost of housing. The new residential real estate business has been booming in Riverside County due to

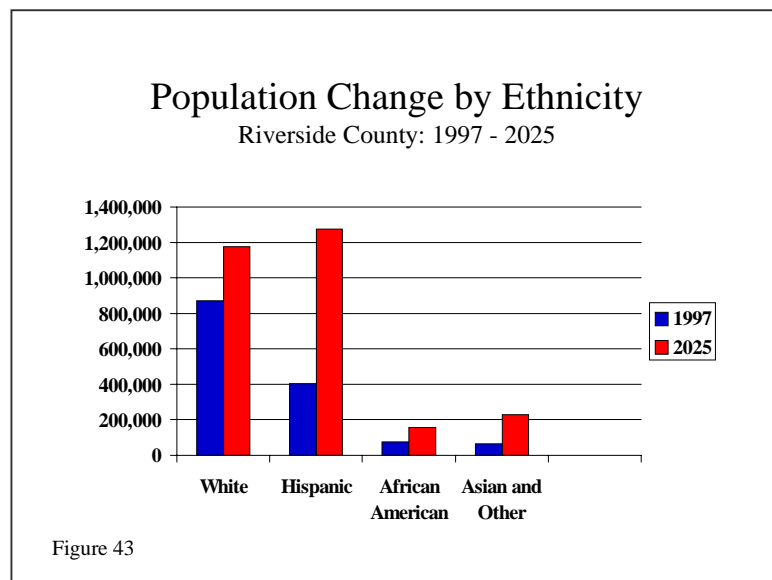


the demand for new housing. The past growth trend is projected to continue. The annual growth rate is expected to be 3.6 percent for both population and households, which is much higher than the region's average growth rate.

Riverside County is projected to be more racially and ethnically diverse in 2025 than it is today. There will be no ethnic majority group in the County, but Hispanics are projected to be the largest minority group. They are expected to account for 45 percent of the county population in 2025. The Hispanic population is projected to more than triple during the forecast period. The annual growth rate for the Hispanic population is projected to be 7.7 percent.



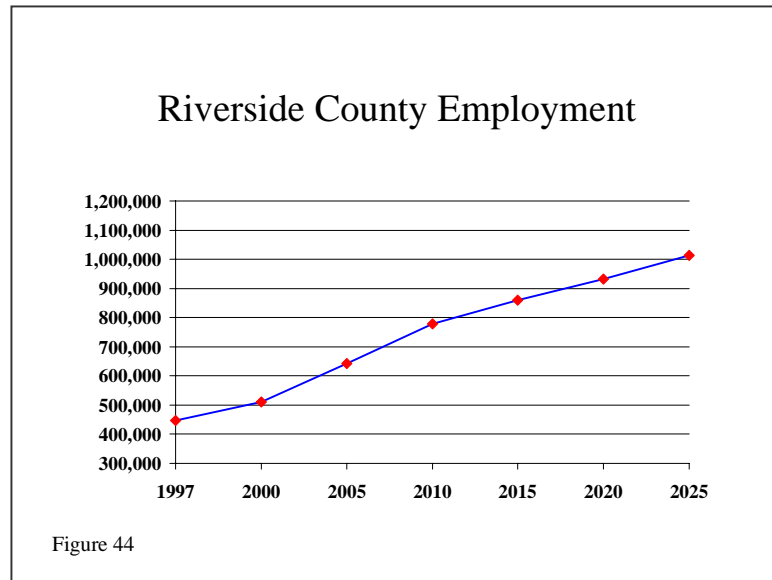
The White population is projected to be the second largest minority group. The White population is projected to increase in Riverside County. The White population growth will be due to net gains in migration. Attracted by the affordable new middle class housing development and the safer living environment, many people have moved from Los Angeles and Orange counties to Riverside County. This trend is expected to continue.



The Asian population is projected to more than triple during the 1997-2025 period. The African American population is projected to double its 1997 population, primarily because of natural births and net gains from inter-county migration. Some African Americans are expected to move out of the inner cities in Los Angeles County to the new middle class residential areas in Riverside County.

Employment

Total employment in Riverside County is projected to increase from 446,000 jobs in 1997 to over 1 million jobs in the year 2025. This represents an annual average increase of 22,400 jobs or 4.5% during the forecast period. This compares to the 5.8% annual rate of growth that occurred in the Riverside – San Bernardino SMSA during the 1972-1999 period.

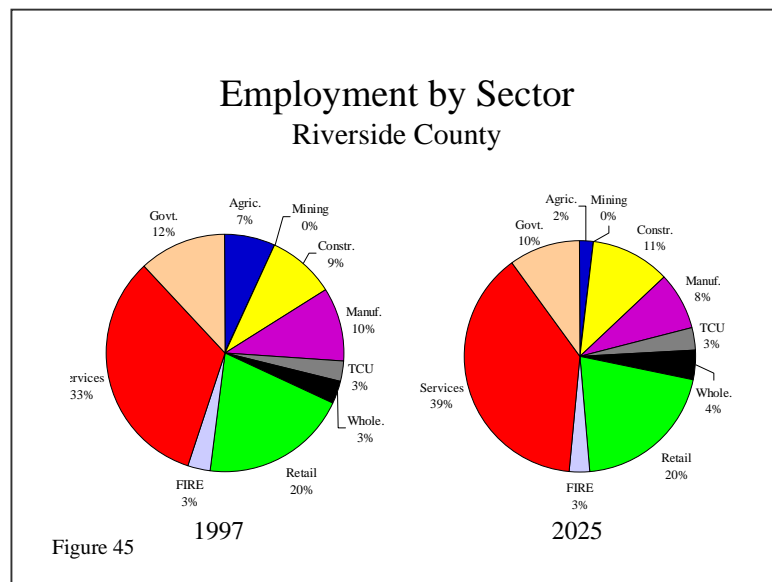


The services share of total employment in Riverside County is projected to increase from 33% in 1997 to 38% in the year 2025.

The construction sector is projected to increase its share of total employment from 9% to 11% over the forecast period.

Manufacturing share of total employment is projected to decline from 10% in 1997 to 8% in 2025.

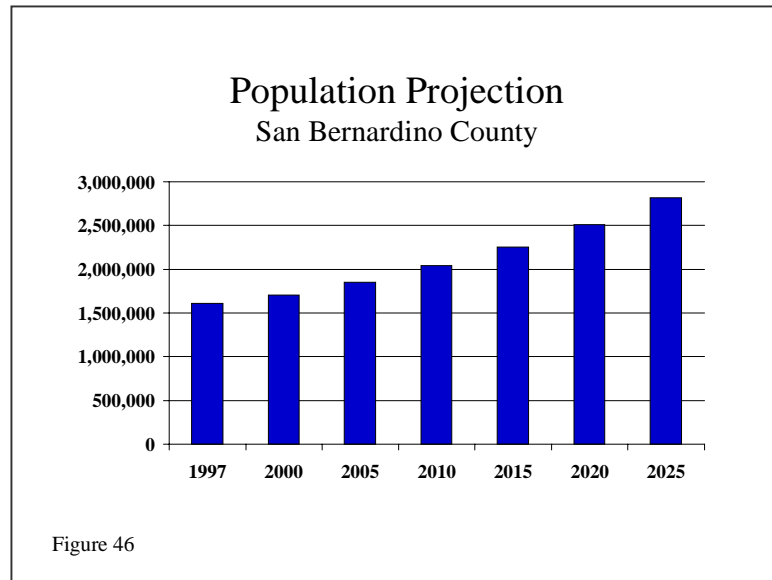
The continuation of rapid urbanization in Riverside County will result in the decline of agriculture's share of total employment from 7% in 1997 to only 2% in the year 2025. Government will also experience a decline in its share of total employment.



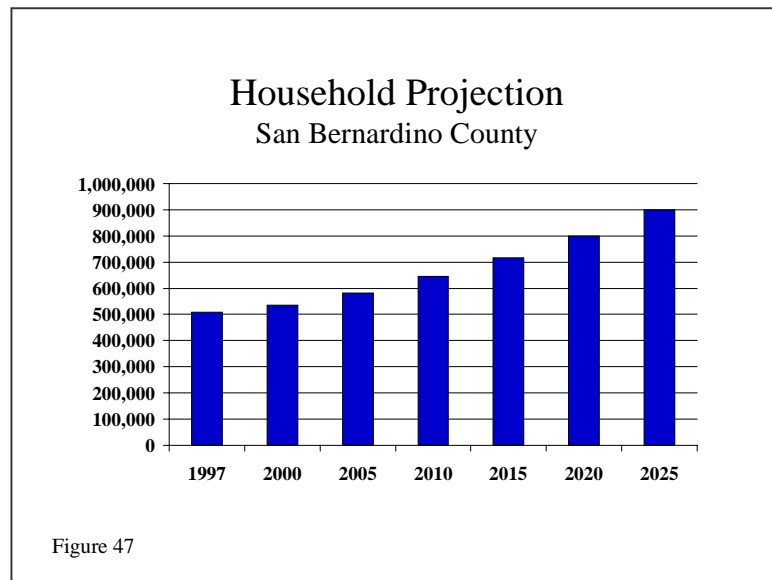
San Bernardino County

Population and Households

San Bernardino County is the largest county by area in the SCAG region and is the largest county in the United States. San Bernardino has been growing rapidly in the past. The 2000 Census showed that it had 1.7 million people, nearly double its 1980 population. The county ranks third in terms of population in the region. The County is projected to grow faster than Los Angeles County, Orange County and Ventura County, but slower than Riverside County. The total population is projected to be 2.6 million by 2025, which is an increase of 1.17 million from the 1997 estimate. The annual growth rate for the County is projected to be about 2.6 percent.



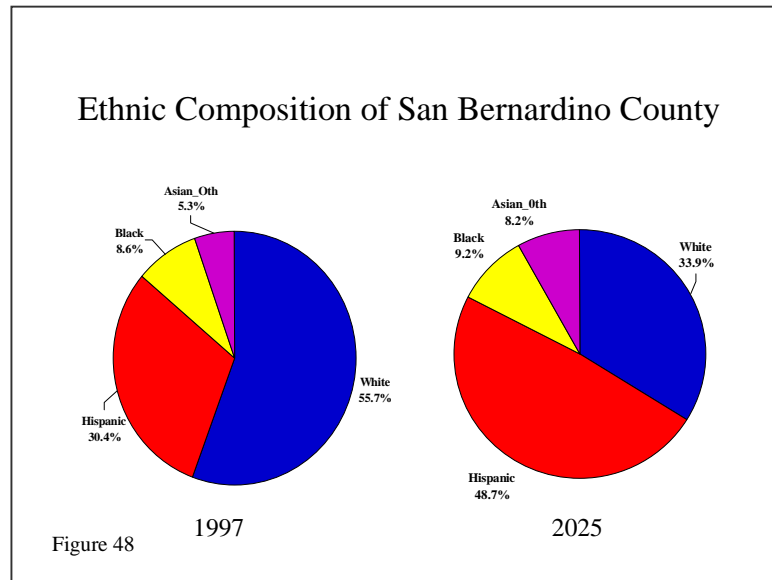
The San Bernardino County household projection is strongly correlated with the population projection. The County currently has 529,000 households according to the 2000 Census. The projected number of households for 2025 is 890,000, which represents a 75 percent increase during the forecast period. The San Bernardino County



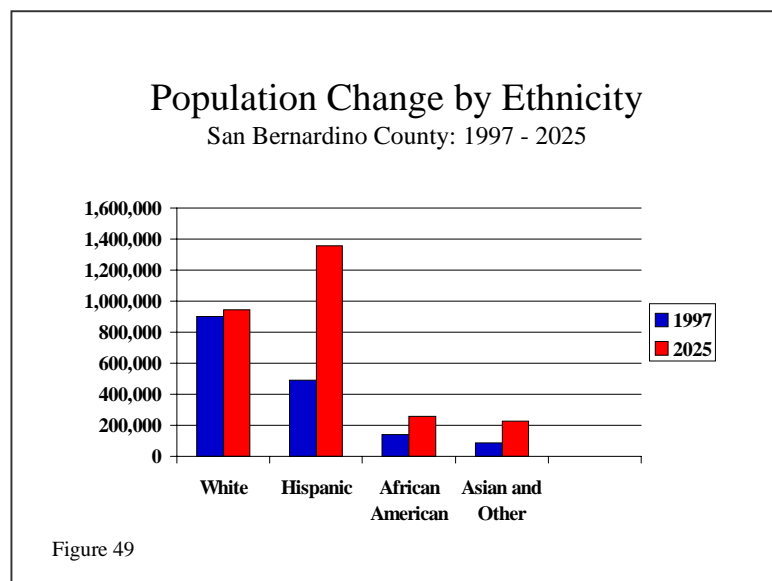
household growth rate is projected to be lower than its Inland Empire neighbor, Riverside County.

San Bernardino County is projected to be more racially and ethnically diverse by 2025 than it is today. Consistent with the regional trend, the Hispanic population is projected to be nearly an ethnic majority group (49 percent) by 2025. High fertility rates and large immigration are the major factors for the Hispanic population growth. In 2025, the Hispanic population is expected to be 2.7 times the 1997 estimate. The annual growth rate for the Hispanic population is expected to be about 6.3 percent.

Unlike Los Angeles and Orange counties, which are projected to lose White population, San Bernardino County will not lose White population according to the SCAG 2001 RTP Socioeconomic Forecast. The White population is projected to grow very slowly, only increasing by about 0.2 percent per year.



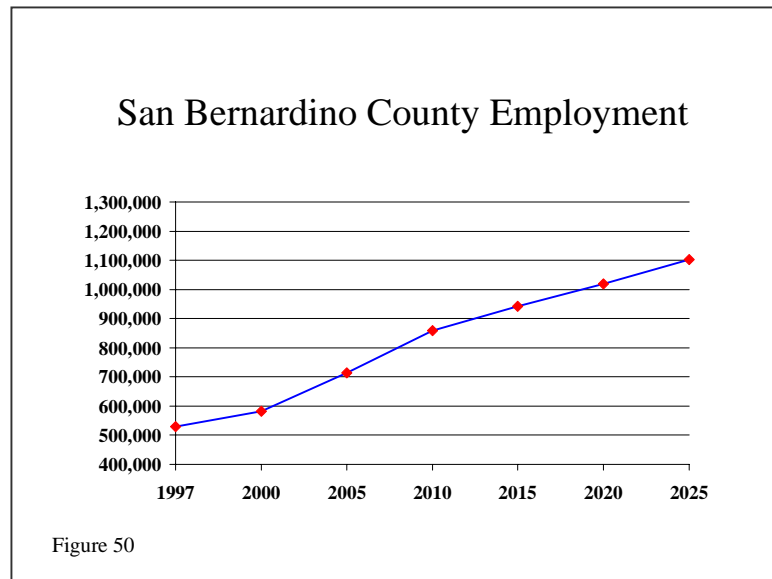
The African American population is projected to be a little less than double its 1997 estimate by 2025. The major reasons are the natural increases of the population and some net gains in inter-county migration. Some African Americans are expected to move from Los Angeles County to new residential areas in San Bernardino County. The Asian population is expected to grow very



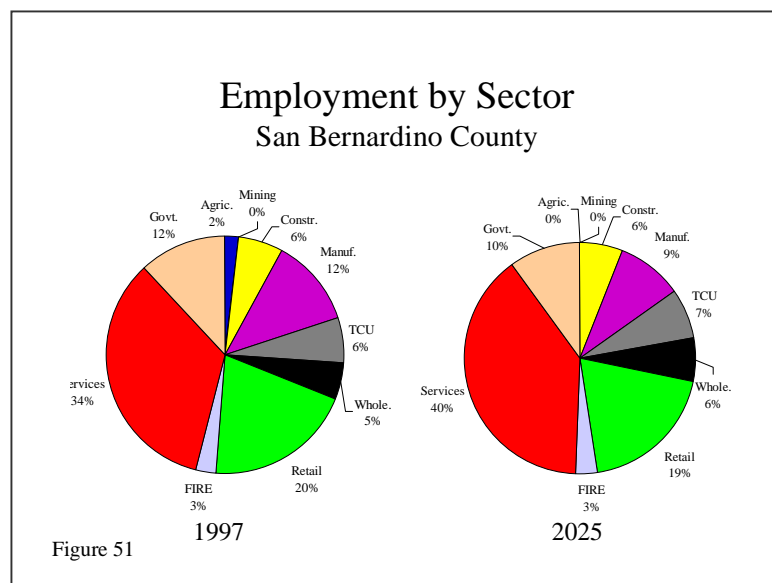
quickly, with an increase of 141 percent from the 1997 estimate.

Employment

Total employment in San Bernardino County is projected to increase from 529,000 jobs in 1997 to 1,086,000 jobs in the year 2025. This represents an annual average increase of 19,900 jobs or 3.8% during the forecast period. This compares to an annual average increase of 5.8% in the Riverside/San Bernardino SMSA during the 1972-1997 period.



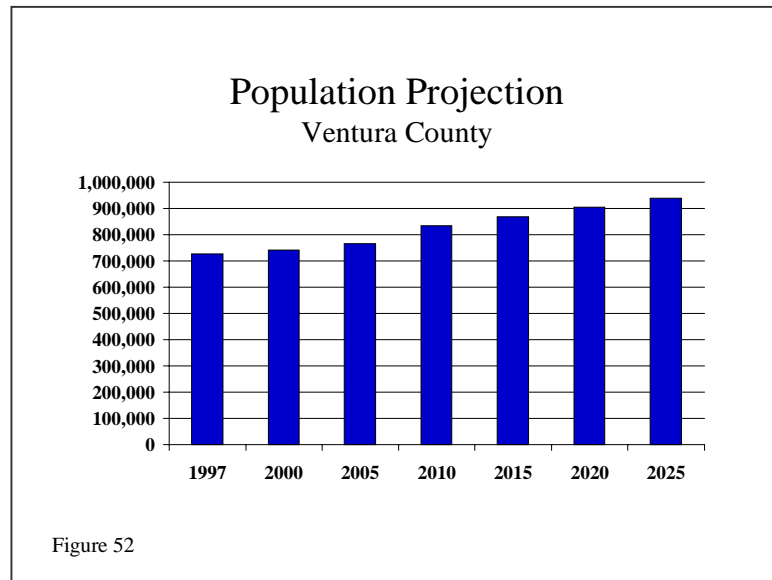
San Bernardino County is expected to share in the regional shift from a manufacturing to a services based economy. The services share of total county employment is projected to increase from 34% in 1997 to 39% in the year 2025. Conversely the manufacturing share of total employment is projected decline from 12% to only 9% over the same period. Share increases are projected to occur in both wholesale trade and TCU while share declines are projected for the agriculture, retail and government sectors.



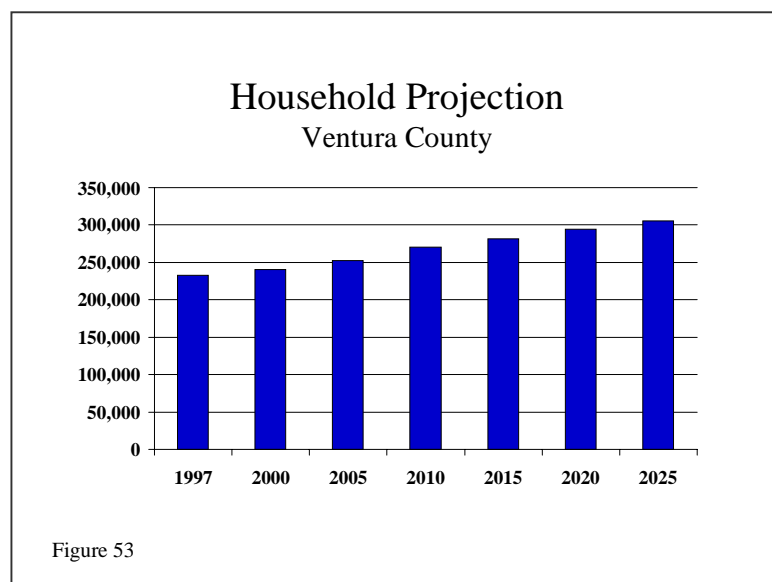
Ventura County

Population and Households

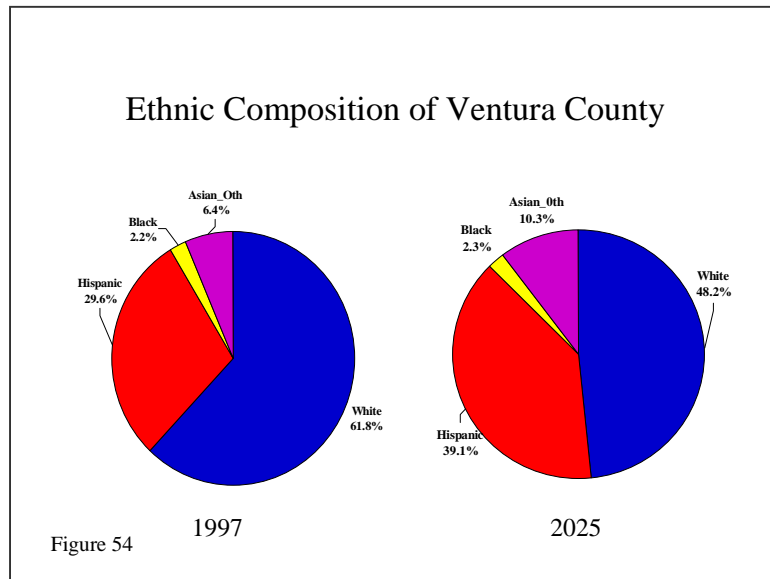
Ventura County is the second smallest County by population in the SCAG region. The County population increased from 669,000 in 1990 to 753,000 in 2000 according to Census data. Ventura County's population increased by 1.25 percent annually over the past ten years. This relatively slow growth trend is projected to continue. The county is projected to have 951,000 persons by 2025, which is an increase of 225,000 people during the forecast period. The annual population growth rate is about 1.1 percent, which is similar to the growth rate of Los Angeles County.



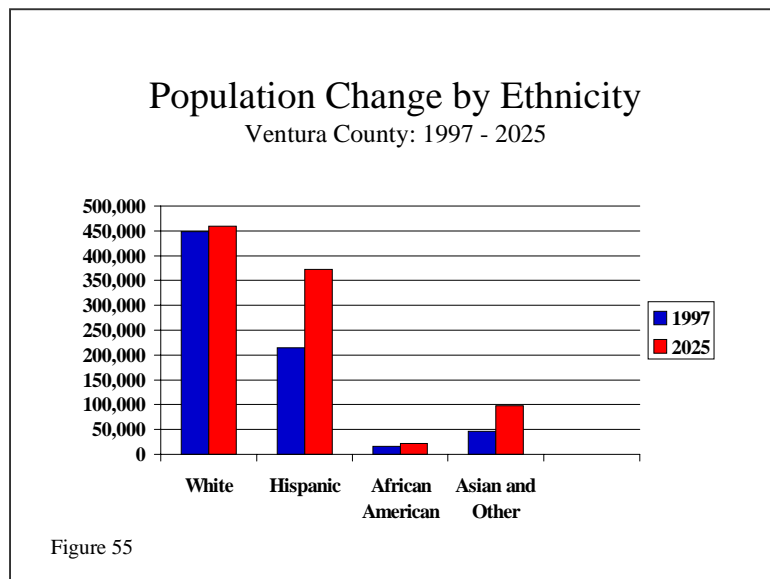
The county's household growth is strongly correlated with the County's population growth. The 2000 Census shows that Ventura County has 753,000 households and has the lowest vacancy rate in the region – 3.4 percent. The county is projected to have a population of 309,000 by 2025, which is up 33 percent from 1997 estimates.



Following the regional trend, Ventura County is projected to be more racially and ethnically diverse by 2025 than it is today. The Hispanic population is projected to increase dramatically and the percentage of the White population is expected to decrease. However, unlike the rest of five counties, where Hispanic population is projected to be either the majority or the leading minority, the White population is expected to be the leading minority, accounting for 48 percent of the population by 2025. Ventura County is projected to be the only county in the region where the white population exceeds the Hispanic population by 2025.



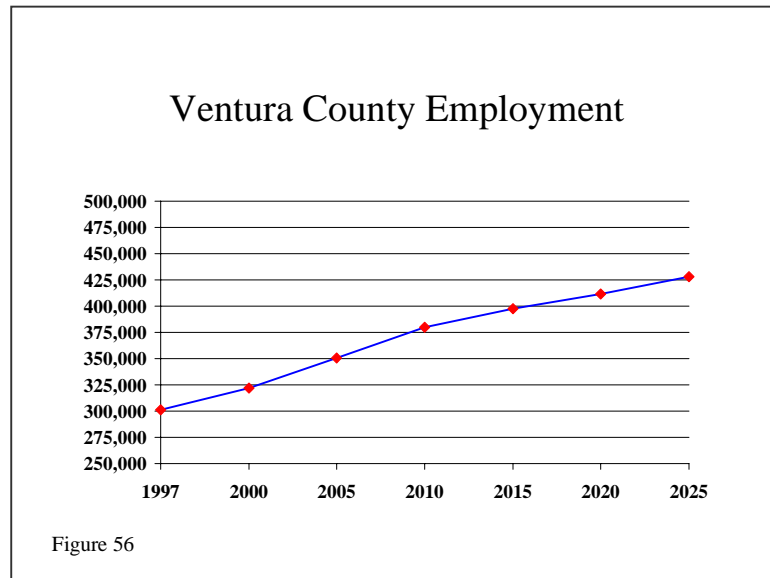
Nevertheless, the Hispanic population is projected to be 372,000, which is a 73 percent from the 1997 estimate. The annual growth rate is about 2.6 percent, which is much lower than the regional Hispanic population growth rate of 3.3 percent per year.



African Americans are projected to have a very small increase, increasing only 5,000 people during the forecast period. Asian population is projected to be 98,000, which is double its 1997 population.

Employment

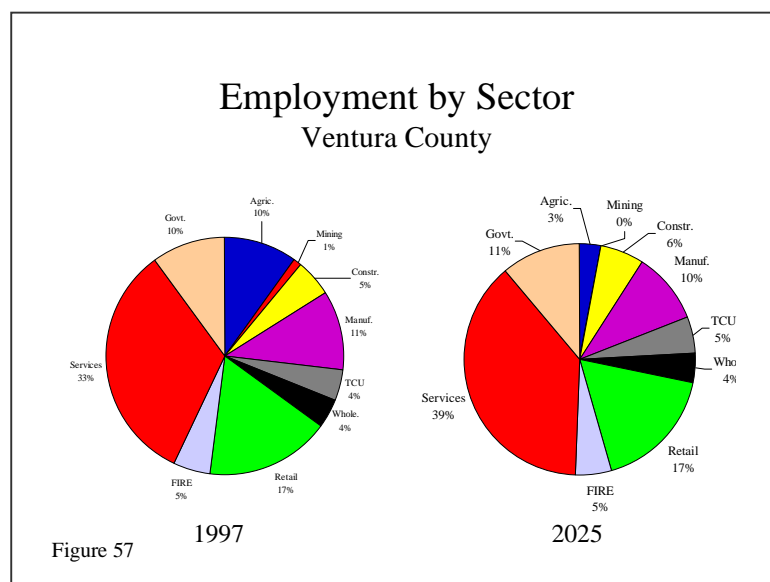
Total employment in Ventura County is projected to increase from 301,000 jobs in 1997 to 432,000 jobs in the year 2025. This represents an average annual increase of 4,700 jobs or 1.6% during the forecast period. This compares to an annual average increase of 6,800 jobs or 4.8% during the 1972-1997 period.



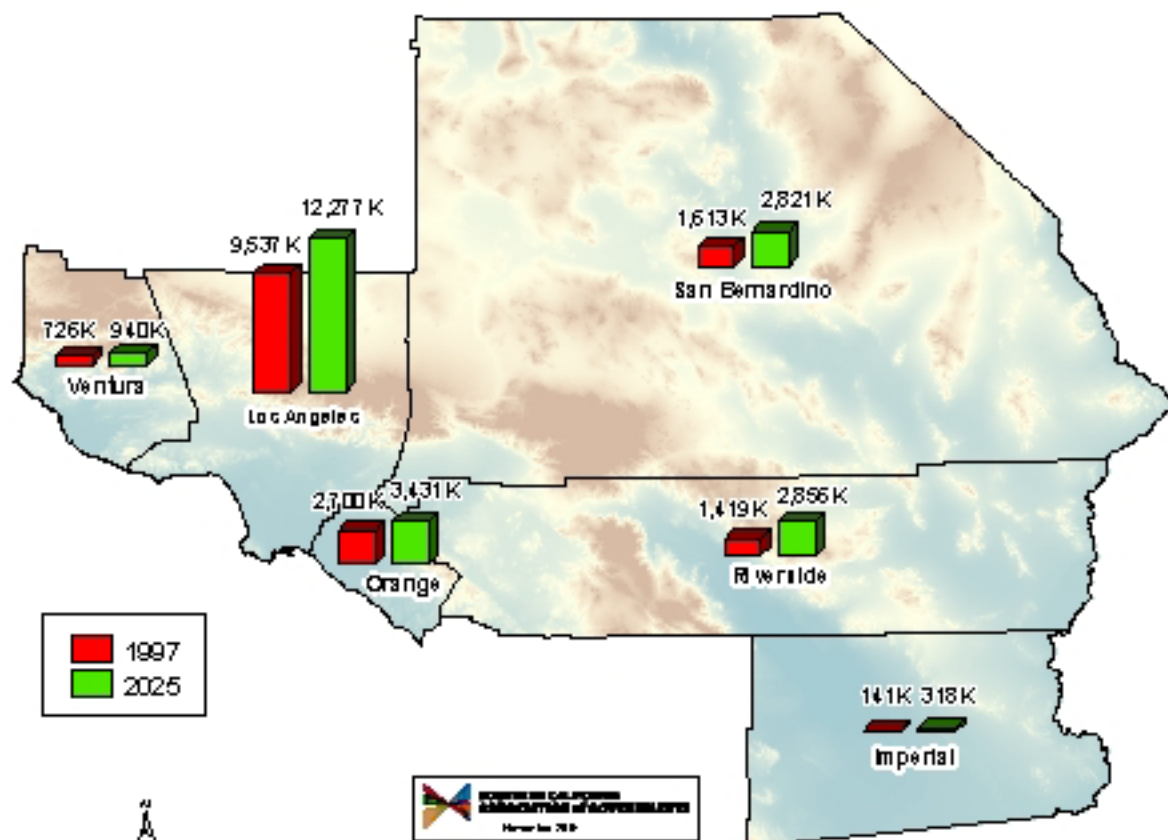
The first major change that will occur in the Ventura County economy over the forecast period is urbanization, which will result in a continuing decline in agricultural employment.

Agriculture's share of total employment is projected to drop from 10% in 1997 to only 3% in 2025. The second factor is that services employment will grow very rapidly

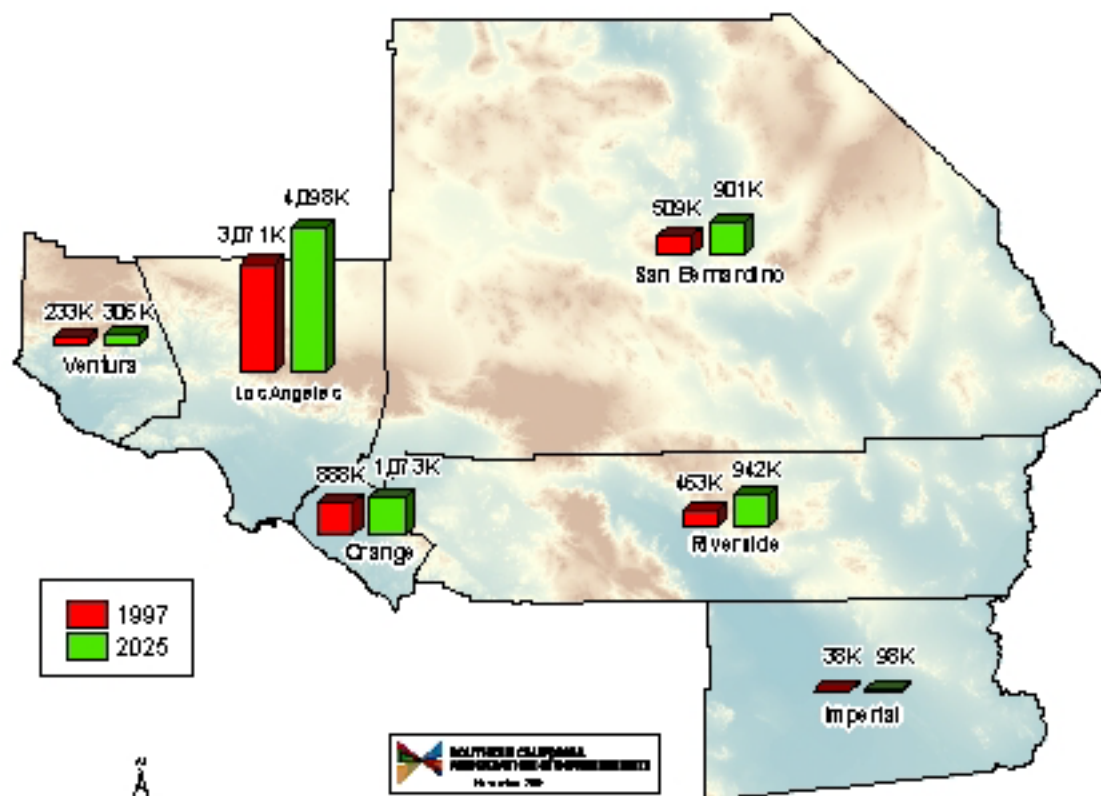
within Ventura County during the period. The service sector share of total employment is projected to increase from 33% in 1997 to 38% in the year 2025. The manufacturing share of total employment will decline slightly while share increases are projected for construction, TCU and government.



Population Change from 1997 to 2025 by County

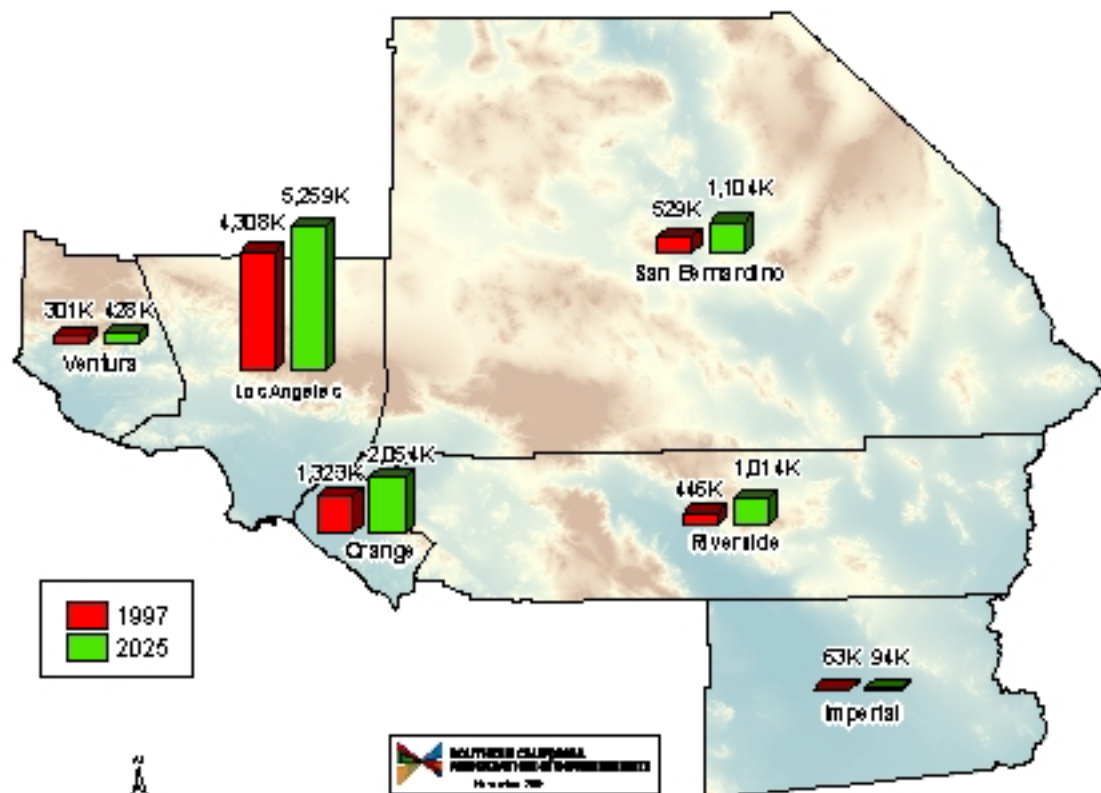


Households Change from 1997 to 2025 by County



Source: SCAG Data Forecasting, 2001

Employment Change from 1997 to 2025 by County



Source: SCAG Data Forecasting, 2001

Acknowledgements

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